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Central Eurasia

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ITAR-TASS Carries Press Review for 5 Aug

LD0508073695 Moscow ITAR-TASS in English 0617 GMT 5 Aug 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW, August 5 (Itar-Tass) — A total of 84 armed attacks on the staff of Russian Commercial banks have been reported over the past 3.5 years, 46 of them were killed, writes the "IZVESTIYA" daily. The geography of these crimes has extended to the whole country. Bank officials have been killed in Moscow, St.Petersburg, Rostov-on-Don, Nalchik, Kazan and Tuapse. The Association of Russian commercial banks has complained that law enforcement bodies prevent the media from giving publicity to these crimes and statistics reports. Ivan Kivilidy, believed to be another victim of these crimes, who died in hospital yesterday, had recently voiced a sharp protest against the inertia of the authorities.

The doctors described Kivilidi's condition as a state of coma which caused brain oedema. The results of the posthumous examination confirmed that both Kivilidy and his secretary, Zara Ismailova, died of poisoning caused by identical substances containing heavy metals, the newspaper said.

Today's newspaper continue comments on the situation in Chechnya and Russo-Chechen talks which ended in Groznyy. The "RED STAR" [KRASNAYA ZVEZDA] daily writes that the "powers of those with whom the talks were held have not been clarified until now."

TRUD newspaper carries comments made by deputy chairman of the Federation Council Ramazan Abdulatipov, on the Russian president's last TV address to the nation. Abdulatipov said that one of the main tasks today is to have all Chechens seated at the "round table" and let them decide their own fate." In his opinion, Russia can not be a participant in the second stage of the talks. It is Russia rather than the OSCE that should become an arbiter, a mediator in Chechen internal talks and preparations for parliamentary elections, Abdulatipov said.

Arkadiy Volskiy, who took part in the talks and is one of those most informed about the Chechen affairs, in an interview with the newspaper "PRAVDA" reminded of the fact that Dudayev's illegitimate, but existing government's term in office expires on October 27. Elections to the committee of national salvation and the government of national revival in Chechnya will lead to the establishment of two governments, two republics, which is impossible with Chechnya being part of the Russian Federation, Volskiy said.

ROSSIYSKAYA GAZETA comments on relations between the Centre and Bashkotorstan, which, in the opinion of some politicians, pose a threat to Russia's statehood. The newspaper carries an interview with the president of Bashkotortsan Murtaz Rakhimov entitled " All of us are citizens of Russia". The main message of Rakhimov's statement is that the desire of the regions to resolve their problems themselves is of benefit to the whole Russia. The president believes that Bashkotorstan's main achievement is peace and calm on the land which is home to Russia's citizens of over 100 nationalities.

"IZVESTIYA" comments on a large-scale offensive launched by the Croatian army on Knin on August 4. By the time "IZVESTIYA" was ready to be printed the Russian foreign ministry had not yet formulated its official stance on these developments.

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Foreign Ministry Reacts to Croatian Attack on Krajina

Condemns Use of 'Power Methods'

LD0508142395 Moscow ITAR-TASS in English 1414 GMT 5 Aug 95

[FBIS Transcribed Text] MOSCOW August 5 (Itar-Tass) — Russia condemned the Croatian offensive on Krajina Serb and made it clear it would insist on an adequate reaction of the UN Security Council.

"We are resolutely condemning the new and new military actions of Croatia", the Russian Foreign Ministry said in a statement Saturday adding that combat activities in Serb-populated localities also posed a threat to UN peacekeepers.

It recalled that several UN observation posts had come under fire, one Danish serviceman was killed and several, including a Russian, wounded.

"Both sides resort to barbaric practice of taking UN personnel hostage", the statement said.

It stressed that Russia had already warned against power methods of solving the crisis, against "counterproductive air strikes dealt at one party, against promoting the militancy of the participants in the slaughter".

"Unfortunately, we were not heard: Zagreb military preparations did not receive the worthy assessment which could have averted the bloodshed. Therefore, it is ever more important to ensure a strict and unbiased reaction of the world community. Russia will toughly insist on that, also in the UN Security Council", the statement said.

Urges Immediate End to Operation

LD0408134595 Moscow ITAR-TASS in English 1310 GMT 4 Aug 95

[FBIS Transcribed Text] MOSCOW August 4 (Itar-Tass) — "The Russian side considers it utterly essential to ensure an immediate end to large-scale combat operations launched by Croatia in the Serbian Krajina on Friday and, at last, start serious political talks between Zagreb and Knin on the strength of proposals made in Geneva by International Mediators," said a Russian Foreign Ministry statement which has been made available to Itar-Tass.

"According to existing information, on August 4, the armed forces of the Republic of Croatia launched a large-scale offensive operation against the U.N.-protected Serb-populated areas known as the Serbian Krajina. The main attack is being delivered against Knin, the centre of the regions.

"The talks held between representatives of the Croatian government and the Krajina in Geneva on August 3 provided the sides involved in the conflict with a realistic opportunity to achieve compromise solutions that would have opened the way for a political settlement for the conflict.

"To our deep regret, the Croatian side, having taken a hardline stance, did not manifest readiness for the elaboration of accords. A conclusion suggests itself that Zagreb was already intent on the search for a purely military solution, not a political one," the statement said.

"We reject such a choice by the Croatian leadership. The Croatian side has violated a number of U.N. Security Council resolutions and ignored the direct appeal by the U.N. Secretary-General to refrain from military actions. A blow has been dealt on all international community efforts aimed at settling both the Croatian and Bosnian conflicts," the statement points out.

"No bilateral military or political understandings between Zagreb and Sarajevo may serve as a ground or justification for Croatia's intervention in the internal conflict in Bosnia-Herzegovina, on the territory of which, besides, the U.N. peace-keeping operation is under way.

"Against this background, the restraint shown by Belgrade and its striving not only to avoid being drawn into the current military operations in Croatia and Bosnia-Herzegovina but also to promote a negotiated settlement of the crises in these states, merits a high appraisal.

"Those countries which regard themselves as Croatia's friends must make Zagreb abandon the policy course directed towards a military solution to the Krajina problem, since the Croatian side bears quite a considerable share of responsibility for the emergence of this problem.

"A further continuation of strongarm actions by Croatia in the Serb-populated areas on its territory may lead to a radical change in the nature of conflicts throughout the former Yugoslavia and have such consequences which have not been foreseen either in Zagreb or those capitals which, despite feeble protests, actually solidarised with the military action of the Croatian side," the Russian Foreign Ministry statement emphasises.

Praises Belgrade's 'Restraint'

LD0408195895 Moscow Radio Rossii Network in Russian 1800 GMT 4 Aug 95

[FBIS Translated Text] The Russian Foreign Ministry made a statement on Friday. Here is Mikhail Demurin, deputy director of the press and information department of Russia's Foreign Ministry:

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[Begin Demurin recording] Russia absolutely rejects the force option chosen by Zagreb. The Croatian side has violated a whole number of Security Council resolutions and a severe blow has been dealt to the efforts of the international community to settle the conflicts not only in Croatia, but in Bosnia as well. Under these conditions, we consider it necessary that the hostilities should be stopped at once; Zagreb and Knin should be made to start serious political talks; the talks should be conducted on the basis of the well-known proposals put forward by international mediators; the countries which consider themselves Croatia's friends should urge Zagreb to abandon its policy aimed at resolving the Krajina issue by military methods; and I would like to say that Zagreb ought to bear in mind that Croatia is responsible to a considerable extent for the very fact that this issue has arisen at all.

Another aspect of the issue is Croatia's interference in the internal conflict in Bosnia-Herzegovina. Regarding this, it is our opinion that no bilateral military-political agreements between Zagreb and Sarajevo can be regarded as a reason for or justification of this interference by Croatia. Viewed against the background of this use of force, we think the restraint shown by Belgrade deserves the highest commendation, together with its determination not only to avoid involvement in the combat operations in Croatia and Bosnia-Herzegovina but also to help achieve a settlement through talks and a search for mutually acceptable ways out. If Croatia continues to use force on its own territory or in Bosnia-Herzegovina, this could lead to a most drastic change in the character of the conflicts throughout the former Yugoslavia and bring about consequences unexpected either in Zagreb or in those capitals which, despite their lukewarm protests, have in fact supported the military action of the Croatian side. [end recording]

Croatian Offensive Raised at UN Security Council

LD0508163895 Moscow ITAR-TASS World Service in Russian 0545 GMT 5 Aug 95

[By ITAR-TASS correspondent Boris Sitnikov]

[FBIS Translated Text] United Nations, 5 Aug (ITAR-TASS) — Russia has raised with the Security Council the question of a tough international reaction to Croatia's massive military offensive against Serb Krajina, but this time, unfortunately, the stance taken by some of the Council's members prevented a clear condemnation of the Croatian government, ITAR-TASS was told by Vasiliy Sidorov, Russian Federation acting permanent representative to the United Nations, after the Council's session at midnight on Saturday.

"In the light of the Croatian armed forces' massive offensive against Serb Krajina the Russian Federation delegation voiced at the Security Council the need for a tough response to this challenge by Croatia, which has flouted Security Council resolutions. The Russian delegation drew Security Council members' attention to the fact that the Council has to date been unable to adequately react to the worsening situation in Croatia and to clearly signal to the Croatian Government that further military escalation is unacceptable", V. Sidorov said.

"During prolonged and tense consultations that lasted throughout the evening of 4 August," he continued, "the Russian delegation sought a clear-cut condemnation of Croatia's actions. It declared that the international community expects the Security Council to issue an unambiguous warning to the Croatian government."

According to Sidorov, the consultations led to a formulation that at least showed the Security Council's concern at Croatia's actions. The statement adopted by the Security Council chairman clearly indicates that the Croats' military offensive is an inadmissible escalation of the conflict that creates the danger of a further worsening of the situation, Sidorov said.

"An important element of the Security Council is that it warned the Croatian Government of a willingness to consider appropriate measures if the situation so requires," the Russian representative said.

Three-Point Denunciation Sought

LD0708110095 Moscow INTERFAX in English 1046 GMT 7 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 7 (Interfax) — If Croatia, which launched an offensive in Krajina (a Serb-populated area of the former Yugoslav republic — IF) keeps ignoring international opinion, the question of international sanctions against it may be raised. "In our opinion, the raising of this question is quite pertinent," director of the Russian Foreign Ministry's Department for International Organizations Aleksandr Gorelik told Interfax Monday.

At the same time, he admitted that members of the UN Security Council would not "so far" support Russia if it raises the question of sanctions against Zagreb.

"The situation is changing, same as public opinion in the West. Governments of the Security Council's member-states will not be able to ignore it," said Gorelik.

In his words, Russia will work for a Security Council resolution to denounce Croat actions in Krajina. "The Russian representative to the UN has received clear instructions on this issue," said Gorelik.

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He noted that this resolution "should be rather tough and have three paragraphs. Firstly, it should focus on humanitarian aspects of the problem. The international community should demand that the Zagreb authorities guarantee refugees' safety and give them a possibility to freely leave the conflict zone."

Secondly, safety guarantees should be given to UN personnel stationed in Croatia. "The actions of Croat troops have resulted in the death of at least three peacemakers - a Dane and two Czechs," said Gorelik.

Moscow also insists that the UN Security Council's resolution denounce Croatia and blame it for the developments.

The Foreign Ministry staffer praised the stand of Belgrade which abstains from involvement in the conflict on the side of the Krajina Serbs. "We welcome restraint of Belgrade whose stand hampers the expansion of the conflict," said Gorelik.

He admitted, however, that if Belgrade becomes involved on the side of the Krajina Serbs "the lifting of sanctions against Yugoslavia is likely to be shelved."

'Radical Change' in FRY Feared

LD0508020895 Moscow ITAR-TASS in English 0149 GMT 5 Aug 95

[By Boris Sitnikov]

[FBIS Transcribed Text] UNITED NATIONS, August 4 (Itar-Tass) — The Russian Foreign Ministry circulated a statement at the United Nations headquarters on Friday. It says that "a further escalation of forceful actions by Croatia in the Serb-populated regions on its own territory and in Bosnia may lead to a radical change of the nature of conflicts in the entire Yugoslavian territory.

"It may bring about consequences unexpected in Zegreb or in the capitals which, despite feeble protests, actually solidarised themselves with Croatia's military action."

"Croatia has violated a whole set of UN Security Council resolutions, ignored the direct appeal of the UN Secretary General to refrain from hostilities. A blow was inflicted against all efforts of the international community aimed at the settlement not only of the Croatian, but also of the Bosnian conflict," the Russian Foreign Ministry statement says.

The document indicates that under the present circumstances, "Russia considers it vitally important to achieve an immediate cease-fire and finally launch serious political talks between Zagreb and Knin on the basis of the proposals advanced by international mediators in Geneva."

Croats Surround Russian Peacekeepers; One Shot

LD0508113495 Moscow ITAR-TASS in English 1118 GMT 5 Aug 95

[By Ivan Ivanov]

[FBIS Transcribed Text] BELGRADE, August 5 (Itar-Tass) — Three posts of Russian "blue helmets" have been encircled by Croatian troops near the Krajina settlement of Vinkovci. One of the Russian peacekeepers was injured, Itar-Tass learned today from the Belgrade headquarters of U.N. peace-keeping forces.

Croatian troops, who launched an offensive on Serbian Krajina early on Saturday in East Slavonia and Baranja, have entered a demarcation zone with Krajina Serbs controlled by a Russian contingent of U.N. peacekeepers. After three posts of U.N.peacekeepers had been encircled at 7:00 a.m. today, the Croatian forces issued an ultimatum, demanding that the Russian peacekeepers immediately withdraw from these posts. The Russian peacekeepers refused to comply with the ultimatum and were shelled by Croats from automatic guns. As a result, one Russian serviceman whose name is not immediately available, was injured.

At present, the Russian peacekeepers remain in their posts without firing at Croats in retaliation.

It was impossible to get in touch with the Russian peacekeeping contingent stationed in Klis or the headquarters in Erduta by telephone since telephone communications had been disrupted.

TV Reports Peacekeeper Killed

LD0508142995 Moscow Russian Public Television First Channel Network in Russian 1400 GMT 5 Aug 95

[From the "Novosti" newscast]

[FBIS Translated Excerpt] The information on the capture of Knin has been confirmed by Colonel Andrew Lesley, the UNPROFOR representative of the South sector, who said the city fell at 1230. [passage omitted]

Having surrounded the Russian blue helmets' posts at about 0700, the Croatians gave an ultimatum to the Russian soldiers to vacate the posts immediately. Our peacekeepers refused and the posts were fired on by Croatians with automatic weapons. As a result, one Russian soldier has been killed. At this moment, the Russians continue holding their observation posts. They are not returning fire as yet.

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Troops Not Deliberately Attacked

LD0508182995 Moscow Radio Rossii Network in Russian 1700 GMT 5 Aug 95

[FBIS Translated Text] A Russian soldier in the East Sector in former Yugoslavia received a slight wound; one of the two wounded Poles has died. RIA-NOVOSTi correspondent Nikolay Paskhin reports from Belgrade.

[Begin Paskhin recording] The wound received by the Russian soldier in the UN peacekeeping forces is not life threatening, the RIA correspondent was informed by the Russian battalion in the East Sector in Klis. The command of the battalion denied reports issued by Western news agencies that the Russian Battalion No. 1 is coming under direct shelling from the Croat forces conducting an offensive against the Krajina Serbs positions. The Russian soldier was caught in the crossfire between the Krajina Serbs and Croats.

At the same time, a well-informed source in the Russian Embassy in Belgrade said today that one of the two Polish soldiers who were wounded as a result of artillery shelling of a UN observation post near Slunj has died. In the opinion of the same source, the situation for the representatives of the Russian battalion remains difficult, but cannot be described as critical.

Nikolay Paskhin, RIA-NOVOSTI's own correspondent from Belgrade especially for the Radio Russia's news service. [end recording]

Kozyrev, Bildt Oppose Croatian Offensive in Krajina

LD0608120495 Moscow INTERFAX in English 1132 GMT 6 Aug 95

[FBIS Transcribed Text] MOSCOW, AUGUST 5 (Interfax) — Russia's Foreign Minister Andrey Kozyrev and the European Union co-chair of the international conference on the former Yugoslavia Carl Bildt share "a downright negative" view of the Croatian offensive in Serb Krajina. Kozyrev and Bildt held a telephone conversation, the Foreign Ministry told Interfax Saturday evening.

Kozyrev and Bildt hope that the recent moves by Zagreb will "be rebuffed by the international community."

Bildt briefed Kozyrev on his meeting with Serbian President Slobodan Milosevic and "talks with Belgrade."

Kozyrev agreed that "Bildt's draft of an agreement with Milosevic presents a real chance for the use of political levers in the efforts to keep the former Yugoslavia from inching toward a military catastrophe."

Kozyrev and Bildt wondered why "some countries were in no hurry to seal that agreement but could not wait to use force."

Bildt took a highly positive view of President Yeltsin's initiative and practical moves for peace.

Kozyrev and Bildt agreed to "keep in touch and continue joint action for a political settlement in the former Yugoslavia," the Russian Foreign Ministry said.

Ambassador in Croatia Criticizes Attacks on Krajina

LD0508103895 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 0950 GMT 5 Aug 95

[FBIS Translated Text] "The start of combat activities just when the situation was ripe for a peaceful political settlement, and when the local Serb authorities on the territory of the so-called Republic of Serb Krajina were ready to resume negotiations based on the possibility that their presence on the territory of Croatia might be recognized, will have the most negative consequences for Croatia." This was stated by Leonid Keristodzhanyans, Russia's ambassador in Croatia, to Ekho Moskvy radio station.

"The Croatian Army's mass invasion of territory which is under the protection of UN peacekeeping forces is in itself a most flagrant violation of all UN Security Council resolutions," he said.

"Sector East, where the Russian battalion is deployed, is not caught up in the fighting," Keristodzhanyans reported. "However, the tension there is very great; one Russian Federation soldier has been wounded in the thigh and is currently in hospital."

The Russian ambassador in Croatia intends to inform the president's chef de cabinet of the necessity to maintain the contingent of peacekeeping forces at all cost.

Keristodzhanyans sees no need to evacuate Russian citizens. "The situation is not such that it demands urgent actions, there is no state of panic, and the embassy is operating as normal."

Evacuation of Missions Not Necessary

LD0408205395 Moscow INTERFAX in English 1909 GMT 4 Aug 95

[FBIS Transcribed Text] Moscow, Aug 4 (INTERFAX) — Croatian troops which continue to develop their offensive on Knin, the capital of Serb Krajina, took control over the towns of Drnis and Obrovac in the South sector this afternoon, a high-ranking diplomat of the Russian Embassy in Zagreb told Interfax referring

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to the UN command in Croatia. The same source said the Croatian regular army had seized the Petrinja town, the north of the self-proclaimed republic, from where Krajina Serbs subjected Zagreb to a missile attack in May 1995. Croatian troops are also continuing their movement towards the Serb-controlled southeastern part of Bosnia-Herzegovina. The diplomat said Zagreb itself was not panic-stricken. "The government constantly warns residents about the necessity to observe all caution measures but on the whole the town is living a normal life," he said. The diplomat said Russian missions in Zagreb were "working under a regime of increased preparedness." "However, evacuation of these missions' employees and their families has not so far been considered necessary," the Russian diplomat said.

Zotov Warns of Possible 'New Large-Scale War'

LD0408164395 Moscow INTERFAX in English 1524 GMT 4 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 4 (Interfax) — The former Yugoslavia faces the danger of a new large-scale war, the Russian president's Special Envoy for settlement in ex-Yugoslavia, Russia's representative in the international contact group on Bosnia Alexander Zotov told Interfax in an interview today. He said he believed that "such a war is not absolutely inevitable." "However, the threat of unleashing a large-scale armed conflict in the region exists," Zotov added. Zotov said Russia considered the possibility of "excessive showdown reactions" from the international community in the form of NATO's actions and the "bomb campaign" proposed by the U.S. as such a threat. Zotov said Moscow considered as "undesirable" any "military intervention from outside into the Bosnian conflict no matter whether this is NATO's unilateral joining" the settlement of the conflict or the use of rapid reaction forces, even under the aegis of a UN peacekeeping operation. "Such moves threaten a complete loss of control over the situation in the region and are in fact an invitation to a bigger war," Zotov said. Zotov stressed that Russia considered it a priority task to "localize the conflict, give priority to political options, stick to talks and broaden the negotiating process." "Possible wrecking of the UN's peacekeeping mission must be prevented," Zotov said.

Yeltsin Forms Commission on Joining EU, Skrunda

LD0508093795 Moscow ITAR-TASS World Service in Russian 0914 GMT 5 Aug 95

[FBIS Translated Text] Moscow, 5 Aug (ITAR-TASS) — Russian President Boris Yeltsin has issued an instruction on forming an inter-departmental commission to prepare Russia to join the Council of Europe, and has approved a list of its members. First Deputy Foreign Minister Igor Ivanov is appointed the commission's chairman. ITAR-TASS has learned this from the presidential press service.

Boris Yeltsin also issued an instruction on forming a Russian section of the joint Russian-Latvian commission on implementing the agreement between the two countries on the legal status of the Skrunda radar station during the period of its temporary functioning and dismantling. A.D. Nikitin, the Russian representative in charge of monitoring the implementation of the agreement, is appointed the chairman of the commission's Russian section.

Daily Views Christopher, Kozyrev Visits to Hanoi

MM0708092295 Moscow IZVESTIYA in Russian 5 Aug 95 p 3

[Report by Boris Vinogradov: "Uncle Sam in Indochina Again"]

[FBIS Translated Text] U.S. Secretary of State Warren Christopher, who is on a tour of Southeast Asia, has selected Hanoi as the last stop on his itinerary.

This is the first visit to Hanoi by such a high-level U.S. politician since diplomatic relations with Vietnam were broken off more than 30 years ago. The high point of the visit will be the opening of the U.S. Embassy in Hanoi.

This will conclude the White House's official program entitled "Return to Indochina" which was begun by the current President's predecessor — George Bush. But the U.S. newspapers are in no hurry to say that the "Vietnam syndrome" is finally a thing of the past.

The Association of Vietnam War Veterans in Washington and other opponents of the "return" have stated that they are protesting Bill Clinton's decision to restore diplomatic relations with Vietnam, and termed the move a "mockery of the memory of Americans killed on the front lines in Indochina."

They are demanding that full normalization be postponed until such time as the fate of all their missing Vietnam War comrades is known. Nonetheless, Christopher, judging by everything, intends to see through his task.

U.S. businesses are also insisting on expanded ties with Vietnam and are hurrying to take their place in the country. There has been active interest in Vietnam ever since Soviet capital left, and Russia is not particularly concerned about maintaining its former positions there.

Clearly, it was no accident that Andrey Kozyrev, parrying rebukes made against him, rushed to beat

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Christopher to it and arrived in Hanoi a couple of days before him. There were no particular results to the visit, but the declarations noted a mutual readiness to "preserve and strengthen the ties that have been built up."

Foreign Minister Defends Agreements With India

LD0408131995 Moscow ITAR-TASS World Service in Russian 1123 GMT 4 Aug 95

[By ITAR-TASS diplomatic correspondent Andrey Kirillov]

[FBIS Translated Text] Moscow, 4 Aug (ITAR-TASS) — "Such powers as Russia and India do not need other countries' permissions or advice," Russian Foreign Minister Andrey Kozyrev said today while answering an ITAR-TASS correspondent's question about Russia's willingness to go ahead with a number of Russian-Indian agreements — including an agreement on cryogenic engines, or a nuclear power plant's possible construction — on the basis of Russian technologies, even if other countries object to this kind of cooperation.

Andrey Kozyrev answered correspondents' questions after talks with his Indian counterpart Pranab Mukherjee, who is now in Russia on a three-day official visit.

"It is quite another matter," the Russian minister said, "that our cooperation is based on our own regulations and our own laws, and we take into account the interests of the nonproliferation of nuclear weapons and weapons of mass destruction. However, these are our own regulations and, of course, we will make sure they are observed."

"Our cooperation will be kept within this framework, not because someone else advises us to do this, but because it meets our state interests, and we have reached full mutual understanding about this with the Indian leadership," the Russian minister said.

Andrey Kozyrev and Pranab Mhukherjee discussed world and regional issues, including the Bosnian conflict and the unstable situation in Central Asia.

"We have received further evidence that the course toward strategic and efficient cooperation between our countries is paying off," the Russian minister said. At the same time, he called for "placing economic relations at the level reached in the sphere of political relations."

"In fact, we have common goals and approaches and we discussed how to coordinate our efforts even better," Kozyrev said, summing up the results of the Russian-Indian talks.

Benefits Expected From International Gas Pipeline

MK0508092895 Moscow SEGODNYA in Russian 4 Aug 95 p 1

[Report by Rustam Narzikulov: "Gazprom Has Received a DM1.3 Billion Credit. The Russian Part of the Project Is Financed by 27 Western Banks"]

[FBIS Translated Text] Yesterday in Frankfurt-am-Main a credit agreement was signed on extending DM1.3 billion to the Russian joint-stock company Gazprom. The credit is designed to finance Gazprom's share of the German-Russian MIDAL-STIGAL [all names as transliterated] project — the Russian Federation's largest investment project abroad.

The project represents a network of main and spur gas pipelines laid across the territory of the FRG. The STIGAL pipeline (from the Czech-German border to the city of Rexrodt), worth DM970 million, was put into operation back in 1992. The building of the MIDAL pipeline (northern FRG — the French-German border) was completed in the fall of 1993 at a cost of DM1.9 billion. The pipeline network also includes the Reden gas reservoir (Lower Saxony) worth approximately DM500 million.

The overall investments under the project thus total DM4.5 billion. Gazprom's share in the Vingaz enterprise (the German partner is the Vintershall company) is 35 percent, which is equivalent to its share in financing the gas network.

The overall carrying capacity of the MIDAL-STIGAL pipelines is 13 billion cubic meters of gas per year (first line) and the capacity of the Reden reservoir is 3 billion cubic meters (second line).

In spite of the fact that the network has already been put into operation, the project's financing continues to be based on its overall term of 25 years. This must be the reason why the credit agreement, which includes 27 Western banks led by Kommerzbank, has been concluded after construction was completed. The credit has been issued for 12 years and it does not envision state guarantees or export insurance. According to Vingaz representatives, it will be repaid "by marketing natural gas." The reference is to plans to expand Vingaz's share of the German gas market to 15 percent by the year 2010. The borrower in the project is Gazprom's subsidiary — Zarubezhgas-Erdgashandels GmbH.

The statement by the joint venture says that the banking consortium's offers "substantially exceed the financial needs" of the project. This as well as the waiving of

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state guarantees is due to the fact that financing was opened after the gas network was built.

Along with Kommerzbank, such banks as Deutsche Bank, Bayerische Hipotekenbank, Bayerische Vereinbank, and Dresdner Bank took part in the loan negotiations at an early stage. The final composition of the consortium includes four German banks: Deutsche Bank, Bayerische Hipotekenbank, Dresdner Bank, and Wechselbank, each investing DM100 million; seven European and Japanese banks (each contributing DM60 million), and 16 investors providing DM30 million each (including Chase Manhattan Bank and Citibank).

According to SEGODNYA's estimates, the aggregate expected payments and receipts under the MIDAL-STIGAL project will be no less than DM600 million during the entire project cycle. In this event the return on investments (discounted cash flow) will be 12 percent to 15 percent. These estimates naturally do not take into account possible indirect gains for Russia (in particular the independent marketing of gas in the FRG as a pressure factor at price negotiations) which may even surpass the purely commercial yield of the project.

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Political Issues

Yeltsin: Agreement With Serbs Not To Touch Gorazde

LD0708093695 Moscow ITAR-TASS World Service in Russian 0858 GMT 7 Aug 95

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 7 Aug (ITAR-TASS) — Russian President Boris Yeltsin today called for the Bosnian crisis to be settled by peaceful means. The head of state confirmed that "Russia's position is unchanged" on the Bosnian issue.

Yeltsin commented on the worsening situation in the former Yugoslavia in a conversation with Russian news agency journalists after returning to the Kremlin from the Barvikha sanatorium near Moscow.

"Experience has shown," the president remarked, "that constant bombing only spurred on the Serbs' hatred and they responded to these provocations with their own fire. The war has spread. We propose putting into effect our plan: We have reached agreement with President Slobodan Milosevic and General Ratko Mladic that they will not enter the UN's safe haven of Gorazde and that if absolutely necessary we will send our peacekeepers there. They will not, of course, fight against us."

The president noted that Croatian subunits had recently stepped up their activities and said that he had spoken about the matter by telephone to Chancellor Helmut Kohl of Germany who, as Boris Yeltsin put it, "has influence over the Croats." According to the president, Kohl "has promised to restrain the Croats from such activities because the Serbs will once again respond to such provocation."

The Russian head of state said that talks are now under way on having Serbian President Slobodan Milosevic and Croatian President Franjo Tudjman coming to Moscow together to meet the president of the Russian Federation and hold summit talks. This is necessary, Yeltsin said, "for agreement on signing a document on ceasing military operations. I am sure that we will come to an agreement," the president said. "If we fail and the Serbs get out of hand then of course we will have to apply certain forceful methods." Yeltsin also told journalists about the "long" telephone call he had with U.S. President Bill Clinton on the Bosnian problem. He said that he told Clinton about his invitation to the presidents of Serbia and Croatia to come to Moscow.

Yeltsin Reaffirms Support for Peace

LD0708101095 Moscow ITAR-TASS in English 1000 GMT 7 Aug 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] Moscow, August 7 (ITAR-TASS) — President Boris Yeltsin voiced support on Monday for a peaceful solution of the Bosnian crisis. The Russian chief executive confirmed that "the Russian position has not changed" on the Bosnian question.

Yeltsin commented on the aggravated situation in former Yugoslavia in a conversation with Russian reporters after his return to the Kremlin from the Barvikha health-building centre in the Moscow region.

"Experience shows," the president noted, "that constant bombardment only exacerbates Serbs' hatred, and they respond with fire to these provocations. We suggested that our (Eds: Russian) plan be put into operation: we agreed with President (Eds: of the Serbian Republic) Slobodan Milosevic and General Radko Mladic (Eds: commander of armed forces of Bosnian Serbs) that they will not come to the U.N. security zone in Gorazde and that we shall dispatch our peace keepers there at the worst. Sure, they will not fight us."

The president pointed to stepped up activities by Croats' combat units and added that he had a telephone conversation with German Chancellor Helmut Kohl on this issue, who, as Yeltsin noted, "has influence on Croats".

According to the president, Kohl "promised to restrain Croats from such actions, since Serbs will again respond to this provocation".

Yeltsin Hails 'Success' of Chechnya Settlement

MK0408131695 Moscow SEGODNYA in Russian 4 Aug 95 p 1

[Report by Pavel Felgengauer: "The President's Success"]

[FBIS Translated Text] President Boris Yeltsin has always sought to be with his people on days of joy even if he is not quite well. Yesterday in a television address he solemnly stated his confidence that "peace will soon return" to the Chechen land as a result of an agreement signed in Groznyy and that Chechnya "will revive as part of the Russian Federation." A first success story has been scored on the path toward "unity and friendship." The losses and destruction, of course, have been terrible, and the president bows his head to the memory of the victims, but on the other hand the Constitutional Court confirmed the legitimacy of the tortuous decision to use force.

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In December 1994 the president acted differently. True, he was also in the hospital for an operation on his nose septum when an army operation began in Chechnya. But at that time he did not rise from his hospital bed in order to explain to the confused "people of Russia" ["rossiyane"] what was in fact happening and why it was in December that illegal Chechen bandit formations had become so bad that they had to be abolished as a matter or urgency, not sparing either soldiers or bullets or shells. The president did not appear on the TV screen until late December, when just a few days remained before the start of the January battle in Groznyy in which thousands of Russians died, and the further course of the seven-month war was in effect a foregone conclusion, and when all the orders had been issued and virtually nothing could be changed.

Meanwhile there was no military necessity to march on Groznyy in, of all times, December 1994. It could have been postponed until spring when combat aviation can operate more effectively, in the meantime revealing the actual enemy grouping, concentrating the requisite number of adequately trained troops, and giving officers and enlisted men from composite army units time at least to get acquainted, and only then to deliver the blow. It could have been really quite a speedy operation.

A few days ago Pavel Grachev said in an interview that planning for the Chechnya operation began a month before it started, while the order for the concentration of forces was issued a week before, in December. General Grachev successfully graduated from the General Staff Academy, but for some reason he does not know that successful army operations, let alone wars, are not planned a month beforehand and are not prepared within a week. True, to all appearances, the December haste did not originate with the military.

On 26 November 1994, during yet another unsuccessful storming of Groznyy by anti-Dudayev opposition forces, tens of Russian officers who had taken part in the storming were taken prisoner. The operation — never a closely guarded secret — to overthrow Dudayev, which was started in the summer of 1994 and sanctioned by Yeltsin's staff, became absolutely obvious. Now, however, after so many other attacks and stormings in Chechnya, this old story has been forgotten altogether, although it had apparently served as the reason for the December expedition. From this rather pragmatic point of view, the losses sustained over the seven months of fighting were not in vain, and this is indeed no mean achievement. "Through our common efforts we shall manage to overcome the tests that have befallen us," our president is sure.

'Satisfied' With Progress

LD0708105895 Moscow INTERFAX in English 1005 GMT 7 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 7 (INTERFAX) — Russian President Boris Yeltsin is satisfied with the progress of the peace process in Chechnya but thinks that elections in the North Caucasian republic may be postponed till the first half of next year.

The President met correspondents of Russian news agencies, including INTERFAX, in the Kremlin today.

Yeltsin refused to name his representative in Chechnya before he "signs a corresponding decree. It will be a serious person with huge political and organizational experience."

In the words of Yeltsin, this man will not be freed from "federal duties" but will combine his post with the duties of presidential representative till elections in Chechnya.

"After the elections, Chechnya will have its own power bodies, and the powers of federal and republican power bodies will be divided," said Yeltsin. He noted that "Chechnya, same as other republics (constituent members of the Russian Federation — IF) will have a certain degree of independence."

According to Yeltsin, the federal power bodies have not made a decision on elections in Chechnya.

Earlier this year there have been reports on the plans to hold free elections in the republic in November 1995.

"Disarmament should go first (in Chechnya — IF). Elections cannot be held at gunpoint and as long as illegal armed units exist," said the President.

In his words, "elections in Chechnya may not be held this year. They may be held in the first half of next year."

The President stressed that elections of State Duma deputies (deputies of the lower house of Russia's parliament) from Chechnya will be held in due time. The Duma elections are scheduled for December 17.

Talks Member Volskiy Interviewed on Chechnya

LD0608220495 Moscow NTV in Russian 1700 GMT 6 Aug 95

[Studio interview with Arkadiy Volskiy by program host Yevgeniy Kiselev; from the "Itogi" program — live]

[FBIS Translated Excerpt] [Kiselev] In the "Itogi" program studio we have Arkadiy Ivanovich Volskiy, the deputy leader of the Russian delegation at the talks in Groznyy. Arkadiy Ivanovich, I would first of all like to

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put a question that no one has put to you before. How did you end up in the Russian delegation at all?

[Volskiy] Certainly, that question has remained in the background, so to speak. On 30 December 1994, and I stress it was 30 December....

[Kiselev] Why is that?

[Volskiy] That was before Groznyy was stormed. The Conciliation Commission under the president of the Russian Federation, of which I am a member, elected a working group on settling the Chechen crisis. I was elected leader of this group and starting on 2 January, I had to handle all of these matters. Later Russian Prime Minister Viktor Chernomyrdin included me in the government commission. That was on 9 January, I think. Thus, I became even further involved in dealing with these matters.

But on the 18th [month not specified], when the whole story in Budennovsk was still unfolding, I was telephoned at 1400 on the Sunday, and on Thursday we flew down to Groznyy.

[Kiselev] Let us talk about the situation that has arisen at the talks. Many people are rushing to say that peace has already been restored in Chechnya. At least, some of the things that have been said have been overblown, and yet since the agreement on the package of military issues was concluded sporadic outbreaks of military activity or, to put it more cautiously, attacks on federal troop positions have not stopped. The question arises: What part of the federal troops' enemies is under Maskhadov's control?

[Volskiy] Well our military estimate that around 60 percent of the illegal armed formations are under Maskhadov's control.

[Kiselev] He does not control 40 percent?

[Volskiy] He does not control 40 percent.

[Kiselev] So who controls them?

[Volskiy] Well, you know, first of all, there are those on the side that favor Russia — the formations of Beslan Gantemirov, Lobozanov.

[Kiselev] You are taking those into account?

[Volskiy] Of course. Then there are detachments who are subordinate to no one. There are detachments of Islamic suicide fighters, so to speak. There are the irreconcilables. There are the loners. It is a difficult process, and I am under no illusions about being able to stop everything the day after signing. The interior minister and I differ on this: He thinks that two months are necessary to restore order, and I think that we need at least three.

[Kiselev] Arkadiy Ivanovich, after the agreement on the package of military issues was signed you said that there were people against restoring peace both in Russia and in Chechnya. Could Dzhokhar Dudayev be described as an opponent of restoring peace. After all, his attitude has been very inconsistent. The agreement had hardly been signed when he gave that famous telephone interview to Radio Liberty in which he said that it was not legitimate. Then, at the last minute, he seems to have given it his approval.

[Volskiy] Well, there is a little disinformation here. Dudayev gave his approval before that interview. I regret very much that I did not make the decision signed by Dudayev along with me....

[Kiselev, interrupting] Signed before the interview?

[Volskiy] Before the interview. [Words indistinct] which is even worse. You know, it is even worse to say that after giving your personal approval. He gave his approval. There is an unambiguous protocol on the military issues. Both the OSCE [Organization for Security and Cooperation in Europe] and we ourselves received this written approval into our hands. Then this unexpected interview to the Radio Liberty station, and then this even more unexpected liberation of Imayev. The latter's convulsive decisions were clearly designed to do damage, but they are evidence of something else: The loss of his authority. I think that he will simply depart from political life through actions like these.

[Kiselev] Speaking in the "Vzglyad" program this week you said that Dudayev had threatened Russia with some unimaginable terrorist acts that could have made the whole world shudder. What did he have in mind?

[Volskiy] Well, I cannot say what he meant exactly, but one should keep in mind that they have prepared a whole range of acts. Those people in our country who do not want to see or understand this are making a big mistake. My warning is that Budennovsk was no big deal, a probing action. But other targets could include water reservoirs, certain chemical and petrochemical facilities....

[Kiselev, interrupting] Atomic power stations?

[Volskiy] Yes, atomic power stations. Shamil Basayev, for instance, said: If the agreement is signed I will hand over to you the bacteriological weapons in my possession, I will hand over the containers with radioactive weapons that I have. Well, let us see if he hands them over now.

[Kiselev] Speaking about Basayev — in the interview to Radio Liberty Dudayev described Basayev as Chechnya's national hero, while the agreement says that the

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Chechen side pledged to help the Russian side find Basayev. Do you think this is realistic?

[Volskiy] I would say that if we fail to help ourselves and show no desire to help ourselves we can hardly expect any sensational extradition.

[Kiselev] Some people believe that during the Groznyy talks Moscow distanced itself from its former allies, those on whom it staked openly last Autumn. Is this a correct view?

[Volskiy] You know, it is correct if we speak about Moscow. While working over there we did not distance ourselves, because the National Reconciliation Committee delegation led by Lecha Magomadov and two deputy chairmen of the Council of Ministers was always there on our right-hand side at the table.

[Kiselev] But I am speaking about Moscow, the Russian authorities.

[Volskiy] As far as Moscow is concerned you are right. You have perhaps read and heard that great pressure was being applied on the president and the prime minister, that the war must not be stopped, and so on.

[Kiselev] But can you say who was applying this pressure?

[Volskiy] Well, you know this question should be put to the presidential apparatus, but we saw all kinds of messages, reports, speeches in the Duma, and so on. Take Zhirinovskiy, for instance. He insisted that the talks be stopped and submitted this proposal to the Duma, that the talks be stopped and the enemy be finished off in his own lair. After all, 89 deputies voted in favor if I am not mistaken.

[Kiselev] Yes, they did. But in an interview with Sergey Dorenko's "Versions" program, when you first mentioned the pressure that was being applied on the delegation, you had in mind other people and not Zhirinovskiy.

[Volskiy] What I am saying is that pressure was being applied from every side. The president was snowed under with messages warning him that the war must not be stopped and what course of action should be taken. Sergey Mikhaylovich Shakhray wrote that we must not opt for this course unequivocally, staff from the presidential apparatus and presidential aides wrote similar things.

[Kiselev] Speaking then about the pressure that was being applied both on the president and your delegation in Groznyy you, in my view, did a great thing — you introduced a new political concept in the language, that there is a party of fools in Russia.

[Volskiy] You know, in our country many people belong to the party of fools. Sometimes I call them valets and masters of ceremonies. Unfortunately, they are close to the authorities. It seems to me that the powers that be must be able to distinguish and to select. So, where are these words from? When I was in St. Petersburg, I bought a newspaper in the hotel Smolnenskaya, which was called A FOOL. Below it said this: Since you have bought this newspaper, you are a fool. Well, naturally it was true: I did buy the paper. Therefore, I am concerned, you must understand me correctly, that those high up should not be buying such newspapers. People like this must immediately be removed from politics. After all, they can be spotted; they are right on the surface.

[Kiselev] At a certain point in the talks, perhaps the most dramatic point, when the accords were at risk of being disrupted, there were rumors — you said it yourself in one of your interviews — that the Chechen delegation was constantly consulting somebody in Moscow, that there were some invisible participants in the talks, behind the scene, who are staying here, in the center of Russia, telling the Chechen delegation what to do. Is that so?

[Volskiy] Yes, unfortunately, that is true. But unfortunately, we cannot name these people publicly, although I am convinced that they are known.

[Kiselev] Do you know them?

[Volskiy] No, I do not know them. But even considering that I asked for help dozens of times, and even considering that it was explained to me that the satellite and the waves are not ours and the frequencies are not known either, I am convinced that there are technical resources and equipment to find out. You see, what is involved here is a whole transmitter, etc. But that is not even that important. The talks were near a break-up four times. But when everybody was finally at the end of his tether — we had incidents when one delegation would leave, then return, then we would leave and would then be urged to return, etc. So, at one such moment when fists were about to be used, when the jackets were thrown on to the floor, it was night time, 0400, one member of the Dudayev delegation — when we started to complain about that interview — leapt to his feet, shouting: Go to hell, honestly. You are complaining about your own enemies in Moscow. You are complaining about Dudayev. Do you not understand that they have one boss. That is what we were told.

[Kiselev] Perhaps, these are precisely the people who showered you and the president with the notes about the need to continue the policy of force in respect of Chechnya.

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[Volskiy] This will have to be checked through the telephones. I am not calling on anybody to do any bugging. But these things must be cleared. The experts say that such a possibility exists. These things must be determined. Naturally, these people must be found. That would give us certain answers about what is going on inside that delegation.

[Kiselev] For more than a week now there have been rumors that you were offered a post of deputy prime minister. Is this true?

[Volskiy] First, even if that was the case, I would have turned it down. Even when I spoke to you a year or so ago, I told you that I do not want any posts above the one I am holding — the president of the Russian Union of Industrialists. Second, I do not want to take part in any structures for various reasons that are aware of. I am not doing this work for a post. [passage omitted]

Mikhaylov on Chechnya Talks, Dudayev Threats

MM0408131195 Moscow PRAVDA in Russian 4 Aug 95 pp 1-2

[Interview with Vyacheslav Mikhaylov, Russian minister for nationalities affairs and regional policy and head of the Russian delegation to the Groznyy peace talks, by Aleksandr Chernyak; place and date not given: "Vyacheslav Mikhaylov: 'Chechnya's People Will Decide Everything'" — first paragraph is PRAVDA introduction]

[FBIS Translated Text] The agreements signed in Groznyy on the set of military issues open the way to peace, although the threat of war remains. The success that has been achieved is indeed important since for the first time in eight months a mutual desire to end the bloodshed and seek a political settlement to the crisis has been recorded. How did the talks go and what does the document contain? Our correspondent's conversation with Vyacheslav Mikhaylov, Russian minister for nationalities affairs and regional policy, who heads the Russian delegation at the talks in Groznyy, began with this question.

[Mikhaylov] The original assumption — and that is still valid now — was that the settlement of the crisis in the Chechen Republic would include three sets of questions, namely military, political, and economic. The idea was to sign an agreement in order to clarify everything: disarm the illegal armed formations and at the same time have a clear view and idea of what kind of authorities there would be in the Chechen Republic during the transitional period prior to the elections. The idea of holding elections was an integral part of a Chechen settlement. But clearly elections are only possible once the appropriate conditions have been created for them — and they include the cessation of hostilities, the disarmament of illegal armed formations, and a stable — albeit in relative terms — transitional authority.

This included creating conditions for the return of refugees and migrants — there are at least 300,000-350,000 of them, including a considerable proportion of the Russian population, the Cossacks, and, as we sometimes say, the Russian-speaking population. Needless to say, holding elections without these people would constitute a violation of human principles and human rights and would be a breach of democracy in the broad sense of the word. It is also necessary to create conditions for those people who cannot return in this period to take part in the elections. All these matters were agreed, including the creation of equal conditions for all sociopolitical forces in the republic to take part in the elections. That was how the question was put.

[Chernyak] At first....

[Mikhaylov] Yes. But it was in the political set of questions that the problem of power was not resolved unequivocally. You will remember that there was the idea of a zero option. This problem was not resolved during the negotiating process. So we were faced with a choice: We could either suspend the talks altogether or resolve one of the main problems — the problem of disarmament and ending the war. That agreement was signed as a result of the talks. We think that this agreement as a whole — from the viewpoint of the central problem and the correlation between federal structures of authority and the existing structures of authority there today — can be said to be the optimum today.

[Chernyak] Why is that?

[Mikhaylov] Because the opposing side, with whom we are holding talks, recognizes the armed formations existing in Chechnya to be illegal. In practice that means the supremacy in this case of the Law On Defense — a federal law — when it comes to resolving this problem. That is a significant point and must be borne in mind when we make a juridical, legal assessment of this document....

The second factor is that it was agreed that the Russian president's official representative would guarantee the implementation of this document. This once again means that federal structures of authority and federal law are supreme in resolving this problem. Apart from the president's official representative there will be a special supervisory commission. We were able to include in it representatives of the Committee for National Accord, the territorial directorate, and the law-enforcement organs which the Russian Federation

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Ministry of Internal Affairs [MVD] has set up. The commission is chaired on the one hand by Romanov, commander of the combined group of federal forces in the Chechen Republic, and on the other by Maskhadov, chief of staff of the illegal armed formations. At the same time it was agreed that these two organs are vested with the right of monitoring. Thus, the involvement of all other structures bidding for power or saying that they represent a structure of authority is eliminated.

[Chernyak] What about the actual mechanism for implementing the agreement?

[Mikhaylov] We consider this a significant issue. A methodology and mechanism for disarmament have been formulated which envisage the involvement of special supervisory commissions in population centers and rayons. It is envisaged that a yurchud (an elder) will be elected at citizens' assemblies, that military representatives will be included once again in these grassroots echelons of the special supervisory commissions, and that disarmament will be carried out in three phases. The illegal armed formations will be disarmed under the supervision of these commissions. The weapons will be put into storage and destroyed. While the illegal armed formations are being disarmed self-defense detachments of between 15 and 25 people with one gun apiece — a rifled weapon — will be set up at population centers depending on the population center. This disarmament will be under supervised and the whole process will be supervised until the formation of law- enforcement organs. The next stage is to disarm citizens who have illegal weapons caches. And, most importantly, to restore the Russian Federation Constitution on this territory and Russian sovereignty in the Chechen Republic.

An MVD internal troop brigade and a brigade of the Defense Ministry armed forces are being formed here and are performing their mission.

[Chernyak] Vyacheslav Aleksandrovich, it is a few days since the agreement was signed. Reports indicate that shooting in Chechnya has somewhat subsided but Dudayev immediately spoke of the illegitimacy of this agreement, which was allegedly secured under Russian pressure. Moreover, he has dismissed Imayev, head of the Chechen delegation, who signed this document. He also dated this "edict" 24 July. How do you regard these actions?

[Mikhaylov] Dudayev, particularly during the last few days before the agreement was signed, stepped up his activity a great deal. To all intents and purposes he tried to wreck the talks. Numerous speeches of his clearly said that it is necessary to continue hostilities, and he sharply attacked Russia as a whole and the Russian people and even introduced the concept of "Russian chauvinism," fueling chauvinist, nationalist feeling and, effectively, openly calling for the continuation of hostilities. Evidently he had benefited at some point from the resumption of hostilities and the fact that his authority was boosted once again when this happened. Having initially recognized the protocol that we signed he then tried to renounce it. And, needless to say, the whole group involved in the talks on the Chechen side, in particular Imayev, came under pressure. He was accused of being soft, acquiescent, and virtually of being a traitor, etc. And the announcement of his dismissal from all office was the logical culmination of this attack.

[Chernyak] At the last moment we learned that the Chechnya "defense committee" chaired by Dudayev did nonetheless approve the agreement.

[Mikhaylov] Nevertheless we do not rule out the idea of "hard-line" Dudayevites switching to new tactics — the tactics of provocation, seizing power in certain population centers in contravention of the agreements that have been reached, and wrecking the accord regarding the disarming of the illegal armed formations.

We also have information that by no means all field commanders support these tactics, but you must bear in mind that provocations and attempts to wreck the peace agreements will increase. What can I say about this? A new phase is beginning in the fight to restore legality and law and order, a phase in which political methods have to be employed. And I think that a great deal here depends on how the Committee for National Accord and those forces that have always opposed Dudayev in the Chechen Republic behave and how the people in Chechnya as a whole behave.

Yeltsin Returns to Kremlin Office After Treatment

LD0708081995 Moscow ITAR-TASS in English 0806 GMT 7 Aug 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, August 7 (ITAR-TASS) — Russian president Boris Yeltsin on Monday morning returned to work in his Kremlin office following a month-long treatment after a minor heart attack.

For the past two weeks, the President has been undergoing a rehabilitation course in the Barvikha sanatorium near Moscow.

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Greets Residents in Red Square

LD0708101795 Moscow ITAR-TASS World Service in Russian 0940 GMT 7 Aug 95

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Excerpt] Moscow, 7 Aug (ITAR-TASS) — Numerous tourists who came to view the sights of the Kremlin greeted President Boris Yeltsin today with handshakes and good wishes. The public literally rushed at him when they saw the presidential limousine stopping on the Kremlin's Cathedral Square and Boris Yeltsin getting out of the car wearing a light-colored suit. He was grinning broadly and looked in perfect health. "Here I am today on my first day at work again," Boris Yeltsin said when asked how he felt. "Everything's fine."

Boris Yeltsin walked the approximate 300 meters from Cathedral Square to his residence where he has his office. He was accompanied all the way by tourists who photographed the president. The security service acted with maximum correctness in allowing Russians and foreign visitors to approach the Russian leader and wish him good health and success in his work. Along the way Boris Yeltsin stopped at the Tsar Cannon and talked at length to journalists. [passage omitted]

Investigation Launched Into Death of Businessman

LD0408165095 Moscow ITAR-TASS in English 1541 GMT 4 Aug 95

[By Mikhail Shevtsov]

[FBIS Transcribed Text] MOSCOW, August 4 (ITAR-TASS) — Moscow law enforcement agencies began investigating causes of death of a Russian prominent businessman who died on Friday morning in one of the best Moscow clinics from poisoning with salts of heavy metals, supposedly cadmium. A woman secretary of Ivan Kivelidi died a day earlier, a source at the city Prosecutor's Office told Tass.

If it is found out that the two were poisoned, the interdistrict Prosecutor's Office in Moscow's Zamoskvorechye area will initiate criminal proceedings and investigation will be furthered, the source said.

Kivelidi, the president of the Vek Informatsiy joint-stock company and chairman of the Russian businessmen roundtable "Biznes Rossii," was brought on Thursday to the Central Clinical Hospital in a critical state, medical sources reported.

Yeltsin Sends Condolences

LD0408170195 Moscow ITAR-TASS World Service in Russian 1518 GMT 4 Aug 95

[FBIS Translated Text] Moscow, 4 Aug (ITAR-TASS) — Russian President Boris Yeltsin today sent condolences to the relatives and close friends of Ivan Kivelidi, president of the Russian Business Roundtable, following his tragic death.

According to the Russian president's press service, the head of the Russian state has sent a telegram to the members of the Russian Business Roundtable, which says: "I was profoundly shaken by the tragic death in his prime of Ivan Kharlampiyevich Kivelidy, president of the Russian Business Roundtable.

"I cannot resign myself to the thought that he is no longer with us. This is an enormous irreplaceable loss for Russian business and for all those who knew and worked with him. We will also always remember Ivan Khalampiyevich's fruitful social work. He was a role model of wholehearted devotion to his work and he made a great contribution to the making of the new Russia."

Wounded Businessman Said in 'Serious Condition'

MM0308123595 Moscow IZVESTIYA in Russian 2 Aug 95 p 1

[Report by Aleksandr Mnatsakanyan, Yuriy Snegirev, and Dmitriy Skoblev: "Aluminum Is Deadly"]

[FBIS Translated Text] Sergey Bzhosnevskiy, general director of the Volgograd aluminum plant's Moscow office, has fallen victim to an armed attack. An unknown person shot Bzhosnevskiy twice at the entrance to his apartment at Block No. 6, 1 Botkinskiy Proyezd at 0830 hours Monday [31 July]. Both bullets entered the businessman's neck. He was taken to a Moscow hospital in a serious condition.

It was confirmed by "Begovaya" Moscow Municipal District 63d Police Precinct duty watch, that it is in charge of the investigation into the attempt on Bzhosnevskiy's life, but it refused to make any comments. IZVESTIYA has as yet officially unconfirmed reports that the precinct received a directive not to give any information to the press about this case.

With the beginning of the second, monetary, stage of privatization, involving Russia's largest industrial enterprises (the fuel and energy complex, aluminum industry, and so on), many people associated with it have become the target of heightened interest by criminals. Among the first to die (IZVESTIYA has already reported this) were Vadim Yafyasov and Oleg

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Kantor, who attempted to involve the "Yugorskiy" Bank with the aluminum complex.

In May of this year the shares of practically all Russia's aluminum plants fell noticeably. But from June onwards the Volgograd plant's shares unexpectedly began to rise, reaching a level of more than 3,500 rubles [R] a share against a face value of R40. Recently, the shares have risen steadily by 2-3 percent every week. The experts have also confidently predicted the steady rise of this enterprise's shares in the coming months, our correspondents Aleksandr Mnatsakanyan, Yuriy Snegirev, and Dmitriy Skoblev reported.

Yeltsin Signs New Federal Laws

LD0308134495 Moscow ITAR-TASS in English 1138 GMT 3 Aug 95

[FBIS Transcribed Text] MOSCOW, August 3 (ITAR-TASS) — The Russian President's press service told Tass that Boris Yeltsin on Thursday signed the following federal laws:

— "On the Ratification of the Agreement on the International Law Guarantees of the Free and Independent Activity of the Mir International TV Radio Company" passed by the State Duma on July 21, 1995 and approved by the Federation Council on July 21, 1995.

— "On Pure-strain Stock-breeding" passed by the State Duma on July 12, 1995.

Yeltsin Amends Federal Border Service Edicts

LD0408203295 Moscow ITAR-TASS World Service in Russian 1458 GMT 4 Aug 95

[FBIS Translated Text] Moscow, 4 Aug (ITAR-TASS) — Russian President Boris Yeltsin today issued an edict "On amendments to the edicts of the president of the Russian Federation 'On setting up the Federal Border Service — the main command of the border troops of the Russian Federation' of 30 December 1993 and 'On approving the regulations on the Federal Border Service of the Russian Federation' of 2 March 1995."

The text of the edict received by ITAR-TASS from the press service of the president of the Russian Federation says that it was issued "with the aim of improving the legal basis of the work of the Federal Border Service of the Russian Federation."

Yeltsin Repeals Parts of Social Security Orders

LD0608120595 Moscow INTERFAX in English 1132 GMT 6 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 6 (INTERFAX) — President Boris Yeltsin has repealed some of his earlier orders on social security measures as made redundant by a recently enacted law on allowances for people who have children, the presidential press service informed INTERFAX.

Specifically, Yeltsin rescinded:

A part of Clause 2 of Decree No. 822 of August 7, 1992, On the Social Security Fund of the Russian Federation, which deals with funding pregnancy allowances and allowances to be paid to mothers whose children are under 18 months;

Clause 2 of Directive No. 481-rp of September 2, 1992, On Social Security Measures for Military Personnel, Rank-and-file and Commanding Personnel in Interior Bodies, Retired Members of Such Personnel and Special Categories of Citizens;

Clause 3 of Decree No. 1056 of September 7, 1992, On a Procedure for the Dismissal of Employees in the Case of Redeployment of Military Units and on the Payment of Allowances and Compensation to Them;

Paragraph two of Clause 2 of Decree No. 1335 of November 5, 1992, On Additional Social Security Measures for Pregnant Women and Women Who Have Children Aged under Three Years and Who Have Been Dismissed due to the Closure of Enterprises, Institutions or Organizations;

Clause 2 of Decree No. 466 of April 20, 1993, On the Size of Social Security and Compensatory Allowances for Families with Children and for Other Categories of Citizens;

Decree No. 2122 of December 10, 1993, On the Improvement of the System of State Social Security and Compensatory Allowances for Families Having Children and on the Increase of the Size of Such Allowances.

Yeltsin Approves Council for Religious Issues

LD0408114595 Moscow ITAR-TASS in English 0844 GMT 4 Aug 95

[FBIS Transcribed Text] MOSCOW, August 4 (ITAR-TASS) — Russian President Boris Yeltsin issues a decree confirming a regulation concerning the creation of a presidential council for interaction with religious denominations, his press service said on Friday.

According to the regulation, the council will be a consultative body charged to preliminarily consider relevant issues and prepare proposals for the Russian President in the field of interaction between the President and religious denominations aimed at raising the spiritual culture of society.

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Yeltsin Rejects Law on Subsistence Minimum Wage

MM0408133195 Moscow ROSSIYSKAYA GAZETA in Russian 4 Aug 95 p 1

[Untitled, unattributed "Events of the Day" news column report]

[FBIS Translated Text] Boris Nikolayevich Yeltsin, in accordance with Article 107 Part 3 of the Russian Federation Constitution, yesterday rejected the Federal Law "On the Subsistence Minimum Wage in the Russian Federation."

This is connected with the contradiction between the provisions of the federal law and individual articles of the Russian Federation Constitution and federal legislation on the budget, labor, and social support. A letter in which the Russian president justifies his decision has been sent to State Duma Chairman I.P. Rybkin.

Yeltsin's Edict on Security Service Praised

LD0408164895 Moscow INTERFAX in English 1524 GMT 4 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 4 (INTERFAX) — Boris Yeltsin's decree putting the president's security service under the president's administration does away with the discord arising around the structure headed by Aleksandr Korzhakov, chief of the Russian president's administration department on interaction with political parties and parliamentary factions, Andrey Loginov, has said. He told INTERFAX in an interview that the Russian Constitution "has the word 'administration' but does not have the term 'security service.'" Loginov said he considered as "absolutely logical" the president's decision to preserve the previous system where the security service's chief is subordinate directly to the president. "Security issues must be resolved through direct contacts. This is inevitable," Loginov said. Loginov said he considered as unfounded the conclusion drawn by some observers that the presidential decree was aimed at strengthening the president's power. "This is a move aimed at bringing order to the president's administration and the structures ensuring the president's performance," Loginov said. He said the president's administration "is not increased either in number nor in quality or in any other way."

Chernomyrdin Chairs Meeting on Crime Control

LD0708084795 Moscow ITAR-TASS in English 0832 GMT 7 Aug 95

[FBIS Transcribed Text] MOSCOW, August 7 (ITAR-TASS) — The Russian government convened a meeting under the chairmanship of Prime Minister Viktor Chernomyrdin on Monday to discuss the crime situation in the country and measures to combat crime.

The meeting was attended by the chiefs of the law enforcement agencies, including director of the Federal Security Service Mikhail Barsukov, Interior Minister Anatoliy Kulikov and Russian Acting Prosecutor General Aleksey Ilyushenko.

Kulik Appointed Head of Davydov's Secretariat

MM0408142195 Moscow ROSSIYSKAYA GAZETA in Russian 4 Aug 95 p 1

[Unattributed report from the 'Events of the Day" column: "Official Report"]

[FBIS Translated Text] By directive of the Russian Federation Government Aleksandr Pavlovich Kulik is appointed leader of the secretariat of O.D. Davydov, deputy chairman of the Russian Federation Government.

Medvedev: More Laws on Power Sharing Necessary

LD0408161495 Moscow INTERFAX in English 1153 GMT 4 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 4 (INTERFAX) — As more and more trade agreements are made between Russian constituent republics and regions with CIS member nations, new legislation is needed on power sharing between the federation's center and its republics and regions, Nikolay Medvedev, deputy CIS affairs minister, told INTERFAX Friday. He said that the Russian Foreign Ministry has registered 317 agreements of this kind and there is no telling how many remain unregistered. Medvedev emphasized that with the rights of republics and regions expanding the center must work out new approaches to relations with local authorities. Certain CIS member states are also extremely concerned over regions having too much autonomy. In particular, Georgian leaders are unhappy that Bashkirtostan, Tatarstan and Kabardino-Balkaria, Russia's constituent republics, signed direct trade and economic agreements with Abkhazia, Medvedev said. He added that Russian regions should be aware of the possible political consequences of their activities.

Ryzhkov Enters Elections as Left-Centrist

LD0408173395 Moscow ITAR-TASS in English 1446 GMT 4 Aug 95

[By Nataliya Cherepanova]

[FBIS Transcribed Text] ST. PETERSBURG, August 4 (ITAR-TASS) — Former Soviet Union Prime Minister Nikolay Ryzhkov, who currently heads the "Power to People" election association, on Friday said that he

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enters the elections to State Duma in order to win a parliamentary majority for left-centrist forces together with the Communist Party of Russia and the Agrarian Party.

Ryzhkov gave a news conference in St. Petersburg, where he arrived in the course of his election campaign.

Ryzhkov's bloc unites the top opposition figures: Valentin Varennikov, Stanislav Terekhov, Sergey Baburin, as well as Russia's ex-Minister of Culture Nikolay Gubenko, writer Vasiliy Belov, Olympic champion Yuriy Vlasov.

"I maintain good relations with my entire cabinet. We used to be a well-coordinated team, and we left all on one day," the ex-premier said. He did not rule out the possibility of recruiting the ministers of his cabinet for the election campaign.

The left centrists, to whom Ryzhkov refers himself, proclaim as their principal goal the restoration of the national economy.

"Over the past four years, the economic decline in the country exceeded 50 per cent. Over the four years of World War II, it was only 23 per cent," he said addressing the audience of over 70 reporters.

In his opinion, the new Russian economy should combine freedom and state regulation, while the state should be socialist. Ryzhkov noted, however, that he is categorically against returning to the orthodox partocratic past.

Key Provisions of Civil Service Law Highlighted

MK0508074695 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 3 Aug 95 p 1

[Unattributed report: "From Now on Civil Servants Are Not Allowed To Strike or Have Fun at Other People's Expense"]

[FBIS Translated Text] The Law on Civil Service and Civil Servants, which had been passed by the State Duma and approved by the Federation Council, was signed by Boris Yeltsin the other day.

MOSKOVSKIY KOMSOMOLETS was told at the Information Directorate of the presidential administration that this law defines for the first time the term "civil service." The definition says that this is professional activity to ensure that state agencies exercise their authority. A civil servant is an individual who performs such duties for compensation paid from the federal budget or the budget of a federation component.

Civil service posts are divided into the following groups: top state posts (fifth group); chief state posts (fourth group); leading state posts (third group); senior state posts (second group); and junior state posts (first group).

The law provides for educational qualifications for candidates applying for any civil service positions. Thus, those in top and chief posts must have higher professional education. Those in leading and senior posts must have higher education with a major in "state government" or other subjects appropriate to his or her government position. To apply for a junior state post one must have a secondary education with a major in the prospective position's area of expertise.

In addition, 15 qualification categories are being introduced for all civil servants. Corresponding to the top state posts will be the categories of "actual counselors of state of the Russian Federation" of the 1st, 2nd, and 3rd classes. The chief posts correspond to the qualification of "counselors of state of the Russian Federation" of the 1st, 2nd, and 3rd classes. The rank of "counselor of the Russian Federation" of the 1st, 2nd, and 3rd classes corresponds to civil servants holding leading posts. Corresponding to senior civil service posts is the rank of "civil service counselor" of the 1st, 2nd, and 3rd classes. Junior civil servants will from now on be called "civil service clerks" of the 1st, 2nd, and 3rd classes.

The law also imposes limitations on civil servants. In particular, such officials are not entitled to engage in any paid activity, except for teaching, research, or other creative activities. At the same time, civil servants may not be elected officials, engage in entrepreneurial activity, or use state property or official information for private purposes. Nor are they allowed to receive royalties for publications or presentations or accept any gifts, fees, loans, services, payment for entertainment or vacation, or transportation costs from any individuals or legal entities.

Most importantly, civil servants have no right to go on strike.

Slots on LDPR Electoral List Filled

MK0508075895 Moscow OBSHCHAYA GAZETA in Russian
No. 31, 3-9 Aug 95 (Signed to press 2 Aug 95) p 8

[A.D.-signed report: "No Free Riders"]

[FBIS Translated Text] The LDPR [Liberal Democratic Party of Russia] leadership has filled the first seven positions on the party's electoral list. The 'G-7' includes Vladimir Zhirinovskiy, party leader; Aleksandr Vengerovskiy, deputy chairman of the State Duma; Stanislav Zhebrovskiy, deputy of the "liberalissimo;" Aleksey Mitrofanov, foreign minister in Zhirinovskiy's

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shadow cabinet; Aleksandr Zhirinovskiy, the leader's stepbrother; Igor Lebedev, Zhirinovskiy's adopted son; and Sergey Abeltsev, yet another deputy of Vladimir Volfovich [Zhirinovskiy].

Notably, the "core" of the LDPR list did not have enough space to accommodate some prominent liberal democrats, in particular, Sergey Kalashnikov, chairman of the State Duma Labor and Social Protection Committee. Ideological differences have nothing to do with this — the simple reason is that the LDPR list is based on purely commercial principles.

According to confidential data from LDPR circles, vying for an honorary place on the list, Aleksandr Vengerovskiy pledged to donate $650,000 to the party's electoral fund. By some accounts, it was suggested that Kalashnikov contribute 300,000 "greenbacks," which is the price of places eight to twelve and the first two places on the regional lists. Kalashnikov did not have the requisite sum and was left out in the cold.

Inside the LDPR, this practice is called "mobilization of election campaign funds." He who "mobilizes" more will get a parliament seat. As a result of such selection, the regional list of the LDPR's Krasnoyarsk chapter begins with two names unknown even to the chief of the local party organization.

Democrats To Run in Duma Elections on Two Tickets

LD0708112695 Moscow INTERFAX in English 1005 GMT 7 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 7 (INTERFAX) — The congress of the Russian Democratic Party last weekend allowed party members to run in the December elections to the State Duma, the lower house of parliament, on the tickets of two organizations — the Congress of Russian Communities (Yuriy Skokov and General Aleksandr Lebed) and the Popular Self-Government Party (Svyatoslav Fedorov). This was reported to INTERFAX Monday by a leading Democrat, Mikhail Sinelin.

According to him, party leader Sergey Glazyev has been instructed to hold talks with the congress and sign a partnership agreement. The leader of the Democratic faction in the Duma, Stanislav Govorukhin, was instructed to sign an agreement on the formation of a coalition with Fedorov's party. According to Sinelin, this compromise decision helped to avoid a split among Democrats.

Democrats will also run in territorial electoral districts.

The congress bound all party members to be guided by the party rules, program and election platform approved by the congress in their election campaigns.

All Democrats elected to the Duma are expected to form the Democratic faction. According to the Congress resolution, if a Democrat refuses to join the faction, he or she will be automatically expelled from the party.

Government Endorses Plan To Raise VAT by 1 Percent

LD0408142095 Moscow INTERFAX in English 0924 GMT 4 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 4 (FIA-INTERFAX) — The Russian government at its Thursday meeting supported Finance Ministry plan to increase the 20% value-added tax by one percent in 1996, Finance Minister Vladimir Panskov told INTERFAX Financial Information Agency Friday. Panskov explained that the increase will partly compensate the loss of nearly 26 trillion rubles in tax revenue from canceling the tax on excess payroll and the special tax. The minister was optimistic about the prospects for the 1996 budget draft, including the increased VAT, being passed by the lower house. Panskov said that if this increase is rejected, the budget revenue section will probably have to be altered. The budget draft the government intends to send to parliament foresees revenues of 329 trillion rubles and spending of 410.8 trillion rubles, the deficit being 81.8 trillion rubles.

Media Issues

Media Briefed on Election Coverage Rules

MM0408140395 Moscow ROSSIYSKAYA GAZETA in Russian 4 Aug 95 pp 1, 2

[Report by Aleksandr Batygin under the "In the Central Electoral Commission" rubric: "Two Million for a Minute. The Way to the Voter's Heart Lies Through the Television Screen and the Pages of Newspapers. They Don't Say Air Time Is a Political Factor For Nothing...."]

[FBIS Translated Text] It is not as if these will be the first elections that Russia has seen, but it seems that every time we begin everything again from scratch. There are more than enough blanks to be filled in in the election campaign. You could have received further confirmation of this by going to the conference of leaders of the Russian mass media in the Russian Federation Central Electoral Commission. Journalists were invited to discuss the draft instruction defining the procedure for press participation in the election campaign.

"The instruction is still very crude," N. Ryabov [chairman of the Central Electoral Commission] said, "it needs to be finalized." For instance, there are hundreds

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of TV and radio broadcasting companies in the country today, including private ones. The Central Electoral Commission provides a clarification: Electoral blocs and associations and candidate deputies have the right to use the services only of state and municipal TV and radio companies for campaigning purposes. Private companies are forbidden to offer such services, or to screen political advertisements. N. Ryabov considers this question resolved once and for all, since everything is in line with Article 47 of the Law "On Elections."

Electoral associations, blocs, and candidate deputies will be granted at least one hour's free air time on state companies between 0700 and 0900 hours, and the same in the evening between 1900 and 2300 hours. The rota for broadcasting from the "small screen" platform will be determined by lots. The Russian Federation President's Court of Appeal for Information Disputes and representatives of the Central Electoral Commission and all-Russia state television and radio broadcasting companies are to act as impartial arbiters of this process.

It is also possible to gain additional access to TV viewers and radio listeners. If you want more, you must pay up and buy air time, but according to the instruction, bought air time must not be more than three times longer than free air time. N. Ryabov avoided the direct question as to what is actually the ceiling on "bought time," referring to the need "to discuss the question in private."

Many things in the instruction look no better than desiderata. Thus, according to Point 2.21, the moderator of television debates or roundtables is obliged to monitor "compliance with the procedure for their conduct that was agreed in advance with the participants...." Is such a consensus realistic? Television viewers have more than once been convinced of the opposite.

At the conference it was acknowledged that air time is a political factor. Let us add: a truly golden one. The cost of one minute of air time on state television varies between 1.2 and 2.7 million rubles [R].

The Central Electoral Commission did not support a proposal to exclude figures like S. Mavrodi [chairman of MMM] from the media platform. I put the question to N. Ryabov: How do you intend to counter the funding of the election campaign through straw men? There is not a word about this in the instruction.

"In the West financial controls were ironed out over a period of long years," he replied. "At the moment we have no such controls. And if you catch an offender, it is impossible to bring him to account. But we must work toward this."

Representatives of the electronic media attacked the Central Electoral Commission especially keenly. For instance, they asked, how are we to determine the nuances: How do you distinguish between covering an election campaign, and campaigning? What is to be done about political advertising, which is envisaged both paid-for and free? What is to be done about a "regular" advertisement, paid for long in advance? After all, it is bound to clash with the election contest. One Russian Television leader, Anatoliy Lysenko, even proposed that the Central Electoral Commission should buy up "agitprop" air time and distribute it itself....

In response N. Ryabov proposed setting up a special commission with the purpose of monitoring to ensure that equal rights are observed with respect to agitation and propaganda. It is proposed to devote the keenest attention to news programs, which will have to cover the election campaign. However, fears were expressed: Will not programs reflecting the various events and situations connected with the approach of 17 December provoke suspicion? After all, even that kind of information could be assessed as political advertising.

Matters are simpler with regard to newspapers than with regard to TV. Whereas electoral associations can only have recourse to television for federal and regional campaigns, with regard to the newspapers they can also use the municipal press. The Central Electoral Commission's instruction does not extend to nonstate newspapers. Associations, blocs, and candidates are entitled to one free publication in the state press.

Apparently at the end of August a completely new, finalized text of the instruction will be sent out to media representatives. Today the Central Electoral Commission intends to discuss the "rules of the game" before the elections with representatives of parties and movements entitled by law to take part in the battle for parliament.

Military Issues

POW Commission on Troops Killed in Chechnya

LD0408185395 Moscow NTV in Russian 1500 GMT 4 Aug 95

[FBIS Translated Excerpt] [Correspondent Arkadiy Mamontov] Dmitriy Volkogonov, the chairman of the Russian-American commission for tracing prisoners of war and missing persons, said at his news conference today that 57 federal troops were held in captivity by the Chechen armed formations. [passage omitted] The commission is trying to return home those servicemen held hostage by the Chechens who are still alive. The term "hostage," according to Volkogonov, is a more appropriate definition of the status of the captured Russian soldiers.

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[Volkogonov] Most of those held by the Chechens, though armed when they were captured, were not firing at the opposing side because they were often confronted with women and children, and they generally tried to avoid hurting the peaceful population.

[Mamontov] The chairman of the commission considers that about 2,000 Russian troops were killed. He said 300 bodies of unidentified servicemen were still being kept in refrigerators in Rostov. The number of civilian casualties in Chechnya does not exceed 15,000 people and the losses among the Chechen irregulars are comparable to those sustained by the federal troops.

[Volkogonov] It is probable that they lost 3,000 or 4,000 but I cannot vouch for this figure with all certainty. [passage omitted]

State Owes Military 5.2 Trillion Rubles

LD0408183795 Moscow INTERFAX in English 1524 GMT 4 Aug 95

[FBIS Transcribed Text] Moscow, Aug 4 (INTERFAX) — The state owes Russia's military 5.2 trillion rubles for the first six months of the year, a Defense Ministry official said Friday. This year's national budget sets the total expenditure for the development and maintenance of the armed forces at 45.6 trillion rubles, which is 35.5% of the sum — 128.7 trillion — the Defense Ministry has asked for, the official told INTERFAX. "But not even all of those minimal funds have come in and what has was late to arrive," he complained. He said the ministry had spent 1.7 trillion rubles from its own funds on the war in Chechnya. Meanwhile, the pay the ministry failed to give military personnel in the six months from January to June, plus what it owes for goods and services which the armed forces received in that period, tops 9.4 trillion rubles, the official said. As a result, what every other serviceman was getting in July was June's pay, while the Black Sea Fleet personnel still has not been paid for either June or July. The government's scheduling the greater part — 59.7% — of the budgeted military expenditure for the latter half of the year "clearly doesn't meet the actual needs" of the armed services, the official said. Much of what is to be spent on preparations for the winter, seasonal procurement of food, supplies for forces stationed in Arctic and Far Eastern regions has to be paid during the first half of the year.

'Defense Requirements' Seen Ignored in Budget

MM0408141195 Moscow KRASNAYA ZVEZDA in Russian 4 Aug 95 p 3

[Report by Vladimir Yermolin: "An Officer May Feel That He Is a 'New Russian.' Budget Spending on Servicemen's Pay Excessive, According to Finance Ministry"]

[FBIS Translated Text] Last Thursday a routine Russian Government session once again examined the 1996 draft federal budget.

The press has already carried reports that the Finance Ministry officials drawing up the draft have unwarrantedly overstated budget revenue, as ordered by government experts and IMF specialists in Moscow. Right now anticipated revenue stands at 328 trillion rubles [R]. Per se the figure tells the ordinary reader nothing. But the discrepancy between the rate of growth of maximum revenue and military spending levels may give some idea of the processes involved in the shaping of next year's budget. As you know, the government intends to spend the same percentage of budget appropriations on defense in 1996 as it did this year. At the same time it is keeping quiet about the fact that this percentage includes an ever-increasing amount of arrears. In our inflationary times arrears have a habit of ballooning. The means of calculating them is such that everyone picks the option they find most preferable. For instance, defense industry enterprises consider it fair to include in the debts interest payable on the loans they obtain from commercial structures while waiting for money from the ministry. But there is every indication that the Finance Ministry prefers to pay its debts on the lines of "a ruble for a ruble." And even that is purely theoretical.

Thus, the soaring ceiling for 1996 federal budget revenue has been slightly brought down to earth by hard realists, which is far better on the whole than being guided by "fantasy" figures as has repeatedly happened in recent budget history. But there can be no doubt that the defense budget was also subjected to merciless cuts by the government. With all the attendant consequences. Especially since people there have always been highly sensitive to the military department's needs. For instance, a few days ago Deputy Finance Minister V. Petrov hinted via INTERFAX that some categories of spending have been funded "at a particularly low level" since there has been unplanned spending on servicemen's pay via the introduction of allowances added to all officers' pay. So, it transpires that someone is undermining the state's well-balanced financial system.

However, the above allowances do not even cover the losses in an officer's pay due to inflation. Yet such alarm bells sounded over this increase that a military man might feel that he is a "new Russian."

One thing is clear: The 1996 defense budget is being shaped right now on the same principles as in previous years. At any rate the people in the government who are

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compiling it are not acting on the basis of real defense requirements.

Commission Votes on Funding for CW Destruction

MM0408142995 Moscow RABOCHAYA TRIBUNA in Russian 4 Aug 95 p 5

[Report by Mikhail Dmitruk: "Three Problems of Survival Examined by Russian Federation Commission for Operational Questions at Session Chaired by First Vice Premier Oleg Nikolayevich Soskovets"]

[FBIS Translated Text] A stormy debate was generated by the first question — on the Russian Federation's level of readiness to meet the requirements of the Convention on the Prohibition of the Development, Production, Stockpiling, and Use of Chemical Weapons and on Their Destruction. The Defense Ministry proposed building several plants to process chemical agents into safe compounds. But the Ministry of Atomic Energy insisted on the chemical weapons being destroyed in nuclear explosions on the Novaya Zemlya archipelago.

It would indeed be cheaper to blow them up. But getting the chemical weapons to Novaya Zemlya would be extremely expensive. For instance, they could not be carried on old rail lines — we would need to build new ones. And, above all, such transportation would be enormously risky.

Fortunately, most of the participants in the Russian Federation Government Commission for Operational Questions session believe that chemical weapons should not be destroyed using nuclear weapons — by removing one threat you would create another that would perhaps be even more dangerous. The main thing is that there is no time left for discussion: Research has shown that during their years in storage the walls of the chemical shells have on average lost half a millimeter — that is, 20 percent of their thickness. In a few years' time they could start leaking, which would do enormous damage to the environment. Consequently, the commission decided to urgently allocate major sums of money to the program to destroy the chemical weapons at processing plants.

The draft federal targeted program "Protecting the Environment and the Population From Dioxins and Dioxin-Like Toxins in 1995-1997" was adopted without any objections from the commission. The essence of the program is that Russia will wind up production and begin the disposal of toxic substances such as herbicides.

Finally, at a closed session the commission ratified a number of measures to safeguard Russian supplies of strategic minerals — manganese, chromium, titanium, and certain nonferrous and rare metals, without which the civil and defense sectors of industry cannot operate. The time when these raw materials could be squandered with impunity is over.

Safety Measures for Toxic Substances Detailed

LD0408190095 Moscow ITAR-TASS World Service in Russian 0905 GMT 4 Aug 95

[By ITAR-TASS correspondent Anatoliy Yurkin]

[FBIS Translated Excerpt] Moscow, 4 Aug (ITAR-TASS) — There is no possibility of a leakage of gases in the USSR from combat toxic substances at storage facilities and military bases, according to Colonel General Stanislav Petrov, head of the Radiation, Chemical and Biological Protection Troops of the Russian armed forces. He stated this today when commenting, at the ITAR-TASS correspondent's request, on reports of a leakage of the nerve gas Sarin at army storage facilities in Anniston (in the State of Alabama) in the United States. The general noted that, first, all Russian toxic substances are kept only in steel tanks, while Americans keep them in aluminium tanks, which have a considerably shorter operational life, and, second, there is strict monitoring of all toxic substances at Russian facilities and bases. [passage omitted]

"Eliminating chemical weapons is a complex problem not only for Russia, but also for the United States, where there are about 30,000 tonnes of toxic substances at storage facilities," he noted. Stanislav Petrov considers that it is precisely for this reason that one should welcome the exchange of technologies and results of research into the elimination of ecologically dangerous substances.

Emphasizing once again that there is no possibility of a leakage of toxic substances in Russia, Gen. Petrov drew attention to the need to forge ahead with the work of eliminating chemical weapons. He thinks that the sooner flowline production to recycle dangerous substances begins, the faster Russia will be rid of these weapons that have lost their purpose and now belong to history. However, this needs the requisite financing, which, by a Russian Government decision, will, from next year, obtain a separate entry in the country's budget.

Federal Assembly

Rybkin on Convening Extraordinary Duma Session

LD0408183395 Moscow INTERFAX in English 1524 GMT 4 Aug 95

[FBIS Transcribed Text] Moscow, Aug 4 (INTERFAX) — It is now technically difficult to convene an extraordinary session of the State Duma, the lower house of

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the Russian parliament, its chairman Ivan Rybkin told INTERFAX Friday evening. Besides, there is also a certain legislative obstacle to it: Duma regulations describe the procedure of convening an extraordinary session, but not of opening such a session. The third regular session of the Duma officially ended on July 21 and deputies are in their summer recess. As INTERFAX has reported, a group of deputies favoring a special Duma session to override the Federation Council (upper house) veto on the law on forming territorial electoral districts has the support of the necessary number of deputies — over 90. Under the election law, the law on electoral districts must be published 110 days before the elections, or on August 29 at the latest. On the last day of the Duma session, the Federation Council turned down the law because many of the senators — leaders of federation members — disagreed with the new procedure of forming electoral districts. The change was prompted by the law on electoral rights under which the number of voters in electoral districts should differ by no more than 10% while the old pattern allowed a 25% difference. Rybkin thinks that if the new law is not passed, electoral districts will be formed according to the 1993 pattern. Asked by INTERFAX whether he fears that as a result of legislative ambiguity election returns might be declared invalid by the Constitutional Court, as happened in Kazakhstan, Rybkin said that he does not fear either Kazakhstan or Baykonur, but is convinced that such a thing is not going to happen. The list of deputies supporting an extraordinary session had not been submitted to the speaker by 18:00. Rybkin confirmed that the question of convocation is going to be decided by the Duma Council. He did not name the date of a possible Council session because he had not seen the lists.

Communist, Yabloko Factions Urge Duma Session

LD0408173895 Moscow ITAR-TASS in English 1450 GMT 4 Aug 95

[By Ivan Novikov]

[FBIS Transcribed Text] MOSCOW, August 4 (ITAR-TASS) — The Russian Communist Party and "Yabloko" parliamentary factions have addressed the State Duma Chairman Ivan Rybkin and the Duma Council with a statement, insisting on the convocation of an extraordinary Duma session not later than August 15.

Over 90 deputies came out for convening a lower house session, demanding a repeated consideration of the law on forming election districts, earlier turned down by the Federation Council.

One of the initiators of calling the extraordinary session, Viktor Ilyukhin, representing the Communist Party, told ITAR-TASS that he expects to meet with Rybkin on Friday and to hand the list of deputies over to him.

Ilyukhin does not rule out that leaders of other blocs may put their signatures under the address of the Communist Party and "Yabloko" factions.

"The house intends to examine the objections of the Federation Council to insure a reliable legal setting of the upcoming parliamentary elections," he stressed.

Regional Affairs

Spokesman Claims Dudayev Forces Regrouping

LD0708103395 Moscow ITAR-TASS in English 1013 GMT 7 Aug 95

[By Sharip Asuyev]

[FBIS Transcribed Text] GROZNYY, August 7 (Itar-Tass) — Separatist forces loyal to Chechen leader Dzhokhar Dudayev are boosting their activities not only in the mountains, but in the low-land part of the republic.

According to witnesses, some fifty armed Chechens on Monday enetered the village of Achkhoy-Martan, 40 kilometres (30 miles) west of Grozyy. The gunmen took under their control roads leading to the village and began organising their commanding post. No clashes with representatives of the current Chechen administration have been reported.

On Sunday, a spokesman for the Russian troops in Chechnya told Itar-Tass that Dudayev has not given up the war and is regrouping and rearming his forces. The spokesman said Dudayev plans a provocation to start a new spiral of war on August 7 or 8.

However, on Monday Akhmed Zakayev, a Chechen negotiator at the Gronzyy peace talks, tried to calm fears and branded the spokesman's statement as "provocative".

Zakayev told Tass that "such statements are aimed at either hampering or derailing the negotiations."

The negotiator confirmed that Dudayev and his cabinet are ready to follow accords signed in Groznyy although they disagree with some of their details.

More on Planned 'Provocations'

LD0608190095 Moscow ITAR-TASS World Service in Russian 1820 GMT 6 Aug 95

[FBIS Translated Text] Groznyy, 6 Aug, (ITAR-TASS) — Dzhokhar Dudayev has not abandoned his intentions to continue military actions until victory and is engaged

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in regrouping his forces and supplying them with modern weaponry for that very purpose, a representative of the press center of the command of the united group of the federal troops in the Chechen republic told ITAR-TASS today. According to the information received by the press center, Dudayev has scheduled that all of his formations will start military actions on 7-8 August. He intends to rekindle the conflict by provoking the federal troops. At 1615 [1215 GMT] today about 100 armed fighters arrived at the checkpoint near the entrance to the town of Gudermes in the east of Chechnya.

At the same time, a 1,000-strong crowd of women, children, and old men was also sent to the checkpoint at the same time. Physical violence was used against the Russian troops. Stones and metal objects were thrown at the servicemen and shots were fired from infantry weapons behind the crowd.

The federal troops managed to resolve the situation and to prevent an armed clash, the result of which hundreds of women and children could have died, the press center representative said.

The command of the federal troops is certain that such provocations might in the future take place in major populated centers. The command believes that the aim of these provocations is to disrupt the peace talks and the process of disarmament taking place under the accords. The forces and resources of the federal troops have been put on heightened alert. The commanders of the troops have been ordered to strictly abide by the agreement. Once again attention was drawn to the fact that the arms can be used only in exceptional cases when the lives of soldiers and officers are at risk.

Chechen Official Denies Reports

LD0708095295 Moscow ITAR-TASS World Service in Russian 0835 GMT 7 Aug 95

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Text] Groznyy, 7 Aug (ITAR-TASS) — Akhmed Zakayev, a member of the Chechen delegation at talks in Groznyy, said reports that Dzhokhar Dudayev has supposedly planned to resume combat operations against Russian forces on 7 or 8 August are "provocative." In an interview given today to an ITAR-TASS correspondent, he said "such reports are aimed at slowing down or breaking off the continuing negotiation process."

Akhmed Zakayev said "both the Chechen president and the republic's cabinet of ministers disagree with some individual details of the agreements signed in Groznyy, but they are still ready to implement them."

Chechen Promise To Release Russian POWs Fails

LD0508123595 Moscow ITAR-TASS in English 1210 GMT 5 Aug 95

[By Tamara Zamyatina and Nikolay Kalintsev]

[FBIS Transcribed Text] GROZNYY, August 5 (Itar-Tass) — Dudayev's supporters have failed to keep their promise made to the commander of the federal forces in Chechnya on Friday to release three or five Russian prisoners of war and bring them to the OSCE building in Groznyy, Itar-Tass learned from Lieutenant-General Anatoliy Romanov. Romanov said that in exchange for five Russian servicemen Russia was prepared to release 30 Chechens kept in the filtration check point in Groznyy.

"It is an all-for-all scheme of an exchange of those detained that is at issue and therefore, it is necessary for us to receive a full list of all missing Russian soldiers and officers," Romanov said.

He pointed out that the Chechen side had been warned today that further talks can be continued only after the first two provisions of the military agreement on the exchange of prisoners of war was fulfilled.

For his part, chief of staff of Dudayev's formations Aslan Maskhadov told Tass that compiling the lists of POWs "is not an easy task to do." Nevertheless, Maskhadov expressed his readiness to do everything possible to search for Russian POWs in Chechen villages. Maskhadov pointed out that the exchange of the detainees might take place in three-four days.

General Romanov said that after the Chechen side submitted a full list of prisoners of war he is ready to bring to Groznyy Chechen citizens kept in filtration check points in Dagestan, Stavropol, Volgograd and other places.

'Issues' To Be Resolved in Talks

LD0708092595 Moscow ITAR-TASS in English 0908 GMT 7 August 95

[By Sharip Asuyev]

[FBIS Transcribed Text] GROZNYY, August 7 (Itar-Tass) — The Russian-Chechen exchange of prisoners of war and detained civilians scheduled for today in Groznyy did not take place. Experts from both delegations arrived at the Organisation for Cooperation and Security in Europe office here at 10:00 Moscow time to resume consultations, but there were no people to exchange with them.

Certain differences arose in the number of people to be exchanged and in the status of POWs and detained

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civilians, Chechen expert Said Hasan Abumislimov told Tass.

The issues is to be resolved during today's consultations, Abumuslimov said.

The experts are expected to continue their work all day.

No Withdrawal Without Full List

LD0508115495 Moscow Radio Rossii Network in Russian 1100 GMT 5 Aug 95

[FBIS Translated Text] The withdrawal of federal units from Chechnya will not start until the Dudayevite side presents a full list of Russian servicemen being held. A correspondent of the Reuter agency was told this by Anatoliy Romanov, commander of the joint group of federal forces in Chechnya.

As already reported, the Dudayevites have presented the Russian delegation with a list giving the names of seven prisoners of war. However, according to Romanov's figures, 250 Russian servicemen are being held captive by the Chechens.

Khodzhakhmet Yerikhanov, member of the Dudayevite delegation, claims that the Chechen side is holding only seven men, the others having been released previously.

Chechen Militants To Surrender Arms if Troops Withdraw

LD0508102795 Moscow ITAR-TASS in English 1005 GMT 5 Aug 95

[By Tamara Zamyatina and Nikolay Kalintsev]

[FBIS Transcribed Text] GROZNYY August 5 (Itar-Tass) — Chechen militants will surrender arms if Russian troops withdraw from the rebel republic as is envisaged by the military agreement signed Sunday, an aide to separatist leader Dzhokhar Dudayev told Tass Saturday.

"Supporters of Dzhokhar Dudayev will agree to lay down weapons under the condition that the Russian side fulfils the commitments proceeding from the agreement signed in Groznyy on the military bloc of issues", Movlen Salamov told Tass.

Dudayev initially poured scorn at the agreement, but backed it later. Salamov explained that "the boss did not have reliable information because of communication difficulties".

He added that Dudayev "accepted the document in principle, but had certain remarks regarding the wordings in its text".

The remarks will be submitted by the Chechen side during negotiations on the political bloc of issues which are now being held at the level of experts, according to Salamov.

Militants in Dagestan Voluntarily Surrender Arms

LD0408205795 Moscow INTERFAX in English 1909 GMT 4 Aug 95

[FBIS Transcribed Text] Makhachkala, Aug 4 (INTERFAX) — Chechen militants who tried to bring weapons to Chechnya but were blocked in Dagestan two weeks ago, surrendered all their weapons to representatives of the federal authorities Friday afternoon. In accordance with the military agreement signed in Groznyy on June 30, all six militants were set free as persons who voluntarily surrendered their weapons, Dagestan Interior Ministry spokesman Kazi Zukhrabov told Interfax. He did not confirm earlier information that 20-to 30, and not six, militants were blocked in Dagestan. According to the spokesman, the militants left for Chechnya accompanied by Dzhokhar Dudayev representative Khamad Kurbanov and Akhmad Zakayev, a member of the Chechen command. Zukhrabov did not specify how many weapons were surrendered. It was the first group of militants that voluntarily surrendered their weapons to federal authorities, Zukhrabov quoted Chechen representatives as saying.

Interior Ministry Troops Replace Army in Chechnya

LD0408205295 Moscow INTERFAX in English 1909 GMT 4 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 4 (Interfax) — Motorized units of Russian Interior Ministry troops "are being transferred to Chechnya to replace the units that fought illegal armed groups," Interior Ministry chief spokesman Vladimir Vorozhtsov told Interfax Friday. He said the units would assist Chechen police in carrying out the military agreement concluded by Russian government delegation and the Chechen side.

According to Vorozhtsov, the transit of troops through Ingushetia "was agreed on with Ingush President Ruslan Aushev." Hence, the information on some "unknown groups" from various sources can be regarded as an attempt to create tension in the region and undermine carrying out the Grozny military agreement, said the spokesman. He also said that the number of troops arriving in Chechnya is much smaller than the number of those leaving.

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Troops Launch Propaganda Campaign in Chechnya

LD0608100795 Moscow ITAR-TASS in English 0942 GMT 6 Aug 95

[By Tamara Zamyatina, Nikolay Kalintsev, and Sharip Asuyev]

[FBIS Transcribed Text] GROZNYY, August 6 (Itar-Tass) — Residents of the Chechen capital Groznyy for the first time are gathering around Russian armoured personnel carriers from which they used to dash aside.

Officers and soldiers of federal troops through powerful loudspeakers are informing locals about the progress and results of the Groznyy peace talks.

Itar-Tass correspondents heard the military to read to Groznyy's population an address from the commander of allied federal operations in Chechnya, Anatoliy Romanov, and Chechen military leader Aslan Maskhadov, co-chairmen of the special monitoring commission.

The information campaign was launched jointly with the information committee of the National Revival Government of Chechnya.

The campaign will be regular and carried out not only in Groznyy but also in other regions of Chechnya.

Ministry for Emergencies To Finish Work in Chechnya

LD0408180195 Moscow ITAR-TASS in English 1505 GMT 4 Aug 95

[By Tamara Zamyatina, Nikolay Kalintsev, and Aleksandr Kharchenko]

[FBIS Transcribed Text] GROZNYY, August 4 (Itar-Tass) — A mission of Russia's Ministry for Emergencies will shortly wrap up in Chechnya, a ministry official in charge of liquidating aftermath of disasters said on Friday. Mikhail Grudinin, who has just arrived in the Chechen capital, is heading a governmental commission which is to decide the fate of the mission, up to now chief coordinator of humanitarian aid supplies to the conflict-torn republic.

The ministry's cars have brought in Groznyy thousands of tons of foodstuffs, medications, and construction materials. Its employees distributed the aid among the local population, cleared off sites for construction of new buildings instead those destroyed by the war, and helped take the scrap out of the city.

The situation is gradually normalising, although tensions remain. On Thursday night, an intensive shootout continued just near the building hosting the territorial mission of the federal executive government for over three hours, according to servicemen of the Tver riot police unit guarding a check-point in downtown Groznyy. The unit's deputy commander said that the militants delivered aimed fire and after repeated tries damaged a cookhouse gas pipe, thus leaving the troop without hot food.

New Chechen Envoys Seek Investment for Economy

LD0508072495 Moscow ITAR-TASS in English 0646 GMT 5 Aug 95

[FBIS Transcribed Text] GROZNYY August 5 (Itar-Tass) — Chechen commanders promised to hand over another three Russian POWs Saturday, but the Russian military commander in Chechnya Anatoliy Romanov fears the Chechens are concealing the true number of Russian prisoners.

He told Tass Saturday that, according to his data, the Chechens are keeping 250 Russian POWs, while the submitted list of prisoners includes only seven people.

Romanov told Tass that he had agreed with Chechen military commander Aslan Maskhadov that the latter will send his people to search for Russian servicemen who are believed to be kept by militants in various Chechen settlements.

In the meantime, Moscow-backed Chechen authorities have already appointed their official envoys to five foreign states and 18 Russian regions.

Musa Dzhalamkhanov, head of the foreign relations department of the National Revival government, told Tass Saturday that the main task of the envoys is to find construction companies which would restore the Chechen economy ruined by the war.

He said contracts had already been signed with Turkish and Swiss companies. Talks are underway on shipments of Kazakh oil for processing in Chechnya and on the launching of the production of buses and household appliances in the rebel republic.

Harvest of spring crops is nearing completion in Chechnya, but the work is impeded by occasional shoot-outs and mines planted across the republic. Sometimes, crops are set on fire in the fields.

According to the republican agriculture department, grain crops have been harvested on some 20 thousand hectares and the average yield is 1,700 kilogrammes per hectare.

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Nuclear Waste Stockpiles Reach Dangerous Levels

LD0408190295 Moscow NTV in Russian 1500 GMT 4 Aug 95

[Report over video by correspondent Oleg Vnusov in Vladivostok; from the "Today" program]

[FBIS Translated Text] Japan, which undertook to finance the task of reprocessing the radioactive waste in Russia's Far East, is about to renounce its plans, an Interfax correspondent was informed today in the Maritime Territory administration. Our correspondent Oleg Vnusov reports from Vladivostok.

[Vnusov] The plan is to use money from the Japanese Government to build a special complex in the territory to reprocess the liquid radioactive waste that since last year has been stored in these Pacific Ocean fleet tankers. The winners of the tender to build it were to have been announced on 25 July. However, the winners have not yet been named, a question mark hangs over the project as a whole, and meanwhile radioactive waste is accumulating in decrepit tankers that have long since been written off and which could at any moment spring a leak of their lethal cargo.

Furthermore, in contravention of all ecological standards, solid radioactive waste is being stockpiled in the territory. This was previously packed in containers and dispatched to Chelyabinsk.

However, the fleet has not received the necessary funds for a long time now and has nothing with which to pay for transportation. The tankers have run out, too: Instead of the permitted 600 cubic meters, 800 cubic meters of radioactive waste has been stockpiled in the compound of the temporary depository at the Zvezda plant, which deals with maintenance and salvage of the nuclear fleet and military radioactive waste. The Far Eastern Gosatomnadzor [State Committee for Supervision of Nuclear and Radiation Safety] has sounded the alarm and issued the plant with an injunction to begin removing the hazardous waste immediately, threatening that if this is not done the plant will be closed — the plant employs virtually the entire population of Bolshoy Kamen town. However, nothing can be done unless the government's debt to the naval men is settled.

Economic Issues

World Bank Loan To Help Social Security Service

LD0408130295 Moscow INTERFAX in English 1521 GMT 3 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 3 (FIA-INTERFAX) — The World Bank approved a decision earlier this week to provide a $20 million loan to help develop social security services in 33 Russian regions.

Russia's MOST-Bank has been authorized to handle the project, its Vice President Dzhanafar Zamani told INTERFAX's Financial Information Agency Thursday.

He said the World Bank had selected MOST-Bank as its counterpart after a private tender at the end of June which involved other leading Russian banks. Its choice was based on the assessment given by a working group of experts including representatives of the finance and social security ministries and the Central Bank of Russia.

Zamani said the decision followed MOST-Bank's continued focus on customers from the non-industrial sectors such as social security, health care and education.

He said the project was due to be launched this month.

The World Bank is expected to provide a credit of over $900 million to finance Russia's social security system including $500- $600 million in support of Moscow's budget policy aimed to give financial backing to the workforce of enterprises affected by market reforms.

Purchasing Power Said To Drop Despite Wage Increase

MK0508081895 Moscow SEGODNYA in Russian 3 Aug 95 p 2

[Report by Elmar Murtazayev: "Average Salary in Russia Rose to 480,000 Rubles in June. Last Summer, However, You Could Buy More for This Money"]

[FBIS Translated Text] In June 1995, the average salary of employees amounted to 480,600 rubles, rising 12 percent compared with May 1995. As ITAR-TASS was told yesterday at the Russian Federation State Statistics Committee, payments on social benefits totaled 61,400 rubles [per employee] in June, rising 23 percent compared with May. Thus, in one year, the average salary grew by 174 percent compared with last June. Although the average remuneration of labor calculated with regard to the consumer price index did rise by 6 percent compared with May, this figure still dropped by more than one-third if compared with last year, which constitutes 72 percent of the June 1994 level.

Of the total payments to be made in June, 17 percent were not paid out on time. Russian agriculture turned out to be a record breaker in salary nonpayments, as it accounts for 37 percent of the total nonpayments. Just a little better is the amount of salaries paid in the geological, geodesic, and hydrometeorological services — they account for 32.4 percent of nonpayments. They are followed by construction — 23.5 percent, industry — 21.5 percent, education — 9.3 percent, and health care — 8.2 percent. Furthermore, over

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7,000 enterprises with 714,300 people made no salary calculations at all. According to Russian Federation Labor Ministry experts, the main reason for salary nonpayments remains lack of money at the enterprises. The experts believe that a major downturn in real income came about during the winter-fall period [as published]. Nevertheless, they think the situation with salary payments can be drastically changed in the very near future in connection with the government's decision to raise the minimum salary level by 26 percent, which was passed by the State Duma.

Employment Service Reports Unemployment Figures

LD0708104595 Moscow ITAR-TASS World Service in Russian 0817 GMT 7 Aug 95

[By ITAR-TASS correspondent Liliya Kuznetsova]

[FBIS Translated Text] Moscow, 7 Aug (ITAR-TASS) — The army of unemployed in Russia numbers 9.6 million, which is 13 percent of the economically active population, ITAR-TASS was told today by Irina Milkhina, head of the Russian Federal Employment Service press service.

In the first six months of 1995, she said, the industrial work force shrank, unemployment grew, and the number of factory standstills and strikes rose. But even in these difficult circumstances for the labor market, 5.7 [figure as received] people are actively seeking employment, of whom 2 million are officially registered as unemployed.

Official unemployment has gone up 20 percent since the beginning of the year, she added. One factor holding back a flood of unemployment, she said, is the practice at numerous enterprises of putting workers on part-time. This is being done at the majority of plants in light industry, chemicals, petrochemicals, engineering, transport and communications, and also research organizations. Despite this, however, the extent of hidden unemployment has shrunk from 4.8 million to 3.9 million since the beginning of the year.

Coal Extraction Decline Reported at 7.7 Percent

MM0708084795 Moscow RABOCHAYA TRIBUNA in Russian 4 Aug 95 p 4

[Unattributed report: "Figures Speak For Themselves"]

[FBIS Translated Text] Coal production in Russia in the first six months of the year was 131.2 million tonnes. This is 10.9 million tonnes (7.7 percent) less than in January-June 1994.

The amount of coal mined in the first half-year was unable to prevent major disruption to supplies to customers. But, despite this, it was possible to build up considerable stocks of coal as opposed to last year's level at pits and open cuts (up 4.7 million tonnes or 23 percent) and in customers' own stocks (up by 5.3 million tonnes or 18.6 percent).

In order to restore customers' stocks and ensure stable supplies of fuel to them in the fall-winter period of 1995-1996 coal production in the second half must be at the level of the same period last year. This means that the sector needs to break with the trend of falling coal production and stabilize that production.

Resolving this task has been very much complicated by the difficult financial and economic position of enterprise sectors, the undermining of the investment program, and the tense social situation in labor collectives. Despite the measures taken by the government and the Ministry of Fuel and Energy, the money owed to workers for their pay and other payments from the "Rosugol" State Enterprise consumption fund continues to grow (585.6 billion rubles [R] as of 1 January 1995 to R599.4 billion at 1 June 1995).

Thanks to the agreement concluded at intersectoral level between coal and metal producers it has proved possible to reduce the level of defaulting for coking coal. This has made it possible to increase production of coal for coking by 2.6 million tonnes (9.3 percent) in the first half-year. At the same time, work at intersectoral level between the "Rosugol" State Enterprise" and the "YeES Rossii" Russian Joint-Stock Company has not yet produced the required results — which is the main reason for the growth in accounts receivable at coal industry enterprises and their serious financial position.

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International Affairs

Legislator Criticizes CIS Air Defense Pact

WS0408145295 Kiev MOLOD UKRAYINY in Ukrainian 28 Jul 95 p 2

[Article by Lieutenant Colonel V. Shevchenko, Ukraine's Supreme Council deputy and member of the Commission for Issues of Defense and State Security: "Shall We Remove Air Border Posts?"]

[FBIS Translated Text] *"Nobody betrays the Fatherland more than a man who holds it back, who believes — due to his lack of culture, naivity, or mental disease — that it is possible to preserve self-identity only by conserving the past." Yu. Semenov.*

The signing of the "Agreement on the Creation of a Unified Air Defense System of the CIS Member States" [UADS] in Almaty has aroused anxiety among the national democratic forces in Ukraine. This anxiety has increased further following the reports on digging out border posts at the Belarusian-Russian border, that is, on the actual loss of independence by Belarus.

Will the signing of the UADS agreement by Ukraine not lead to another digging out of posts at our air border with Russia, that is, to the loss of Ukraine's independence in the air, as an intermediate step on the path toward losing independence also on land and sea? Is someone in the Air Defense Command not preparing the Belarusian scenario for us?

This is what we are going to discuss below. However, let us first look at the UADS agreement not only from the political, but also from the moral point of view.

Article 2 of the UADS agreement envisions:

"Notification of the aerospace situation to the member states; warning of a missile and air attack; coordinated operations of air defense troops of the member states to repel an aerospace attack."

As we see, the point is not only air defense [AD], but also in antimissile defense [AMD] and antispace defense [ASD].

A question follows: Does Ukraine need to further maintain the missile attack warning system, which is a component of the AMD and ASD systems, when it does not have assets for destroying enemy missiles (they are in Russia)?

Ukraine has renounced strategic missile weapons, so the maintenance of the missile-space attack warning forces by Ukraine will serve only Russia's interests. It is Ukraine which will have to finance and man these forces. Besides, the health of those people living around [radar] stations is a question of utmost importance; we have had enough of radiation after Chernobyl. Russia is obviously interested in possessing AD and AMD forces as far from its borders as possible to have more time for working out a resolution and preparing a counterattack in the event of a missile or air attack. As for Ukraine, it is given the role of a buffer zone stuffed with air and missile attack warning systems and... the role of a passive observer of its own destruction. In the event of an armed conflict between Russia and another state, the first strike will be delivered to the AD and AMD systems based on Ukrainian territory.

Taking into account the fact that Russia's military doctrine is not of a defensive nature, one cannot rule out the possibility that Russia's Air Defense Forces may also be used in Russia's aggression against other states. It follows that, according to the UADS agreement, Ukraine will be drawn into offensive military operations. In other words, joining the UADS agreement by Ukraine violates the principle of its nonbloc status and makes Ukraine depart from its defensive doctrine.

Due to its geographical location, Ukraine almost completely shields Russia's western borders. The western direction is of strategic importance for Russia. Moreover, it is very near to Moscow from there! How they in Moscow have goten used to sitting snugly behind the back of Ukraine, which was the first to receive strikes during both world wars! Therefore, it is not surprising that Moscow generals wish to continue keeping Ukraine as a buffer zone in the event of an armed conflict. In other words, by signing the UADS agreement, Ukraine has arranged for nuclear mushroom blasts over its territory during Russia's military conflict with other countries.

Then whose interests are being defended by General Lopatin [commander of the Ukrainian Air Defense Forces], who prepared this agreement and signed all the preliminary protocols? The answer will be given a little further on.

One is surprised by the provision of the UADS agreement stipulating that the commander in chief of the Russian Air Defense Forces must be the head of the [CIS Air Defense] Coordination Committee. Why not his Ukrainian counterpart, especially if one takes into account that Russia virtually does not have any air defense forces on its western direction, because they remain in Ukraine? It is also not clear for how long the Russian Air Defense Forces commander in chief was appointed head of the Coordination Committee. Has this been done forever or for a limited period with the possibility of reappointment? All this resembles traditional wooing of the "elder brother."

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General Lopatin's thesis about technical difficulties facing the creation of a Ukrainian air defense system as independent from the Russian one is groundless. For example, Poland, a former Warsaw Pact member, has the same armament and equipment as Ukraine and Russia. Poland, however, has proven capable of having its own air forces and air defense forces, including the creation of its own system "Parol."

As for Ukraine, which has its own plants, design bureaus, and scientific research institutes, it has for some reason proven incapable of creating such a system. A question follows: What has been done toward this end by our designers and state officials who are responsible for this? Why does Ukraine allow itself the luxury of maintaining people who were not only incapable of creating something similar to the "Parol" system, but also unwilling to elaborate a program and documentation for such a system over the last four years? Are they incapable or is it someone unwilling to do this? For this reason, Russian planes still feel at ease in Ukraine's sky.. They were even transferring military shipments and troops across Ukraine's sky to the Cisdniester region during the conflict there. What if Moldova resolved to shoot them down, and in Ukraine's sky? What would come next? A war against Moldova?

Regarding the economic difficulties and the lack of funds for outfitting the Air Defense Forces with new weapons, Ukraine will have to resolve these problems on its own in any case. Or, is General Lopatin maybe expecting that Russia, following Ukraine's signing of the UADS agreement, will grant us funds for this purpose? It is obvious that — as Ukraine's president has often reiterated in his speeches — many officials make open use of the economic difficulties to cover their unwillingness and incapability to build a new state — Ukraine.

This fully applies to General Lopatin, commander of the Ukrainian Air Defense Forces. In his time, General Lopatin opposed the unification of the Air Forces and the Air Defense Forces into a single branch; he spoke against such a unification even at the Supreme Council. However, it was Lopatin who was appointed commander in chief of the Air Defense Forces.

This situation reminds me of the thesis that if you need to defeat some case, you should let this case be managed by a man who opposes it. There is evidence for such an intention in the fact that Lopatin's first deputy and his other deputies shared in their time the same opinion Lopatin regarding the above-mentioned unification, and are possibly pursuing the same goal now. Furthermore, all of them, except one from the Air Forces, are from the Air Defense Forces, so the Ukrainian Armed Forces will probably say goodbye to their Air Forces. The future role of the Air Forces is beyond any comparison with that of the Air Defense, as was testified to by events in the Iran war. The Air Defense Troops will now be the basic branch of Ukraine's Armed Forces, just like it was in the times of Brezhnev, who asserted that the 18th Army was the main force which won the victory over the German fascist invaders in "Small Land" [reference to area of heavy fighting near Novorossiysk] and, following the meeting [with Western allies] at the Elbe River, captured Berlin near Novorossiysk [sarcasm over CPSU General Secretary Leonid Brezhnev's self-glorifying book titled "Small Land"]. The experience in the World War II shows that only 15-20 percent of aircraft were shot down by air defense troops, while the remainder were destroyed on the ground with strikes delivered by aviation and other forces. Following the renouncement of strategic missile weapons, today aviation is Ukraine's strongest force in terms of striking power and range ability. Regarding the Air Defense Forces, they existed as an individual branch of forces only in Russia and Ukraine. In all the other countries, air defense forces are included either in the air forces or the land forces. Thus, is it clear why the post of commander of the Ukrainian Air Forces was given to the commander of the Air Defense Forces instead of the Air Forces? This was done despite the fact that, as it was already said, General Lopatin opposed such a merger. Following the signing of the UADS agreement, Ukraine's Air Forces actually become subordinated to and dependable on Russia.

In addition, according to P. Zhovnirenko, an expert of the Consultative Advisory Council under Ukraine's Supreme Council, the UADS agreement grants supervision over all flights in the Ukrainian sky to the Russian Federation Air Defense Troops. In their turn, flights of the Russian Air Defense Troops are coordinated by the Directorate of the Air Navigation of Russia. This "coordination," according to numerous sources (see, for example, an article by G. Bocharov, a member of the board of the International Fund for Navigation Safety, IZVESTIYA of 28 February 1995), disorganizes the air navigation even in Russia alone. Even now the Directorate of the Air Navigation of Russia does not possess any air navigation code. Under these circumstances, the attachment of one more and rather hefty component to the system which already functions extremely unsatisfactorily will in no way improve its effectiveness.

The UADS agreement includes an incomprehensible thesis about interworking of the CIS Air Defense forces and assets under the circumstances of the lack of a unified command. This evidently contradicts the theory of control over complex systems. In other words,

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it is impossible to achieve cooperation in repelling air and missile attacks by coordination alone, if there is no centralized command. This is absurd. Obviously, the understanding of this absurdity has initially prompted the drafters of the UADS agreement, as testified to by General Lopatin himself, "to consider the CIS Air Defense Unified System more as a single **system with rigid centralization and allocation of combat tasks from the command center of the Russian Federation Air Defense Troops.**" However, the obvious understanding of the fact that Ukraine is not Belarus and it is too early to dig out Ukrainian border posts has also forced Lopatin and his colleagues, Moscow generals, to resort to camouflaging the true essence of the UADS agreement. Therefore, the substitution of terms has taken place: "rigid centralization" was substituted for by "coordination," "single air defense system" by "unified air defense system," etc.

All the above-mentioned discloses an anti-Ukrainian and antistate essence of the UADS agreement. However, this does not answer the question where Ukraine finds its generals who are ready to confide everything to the "elder brother's" care at the first opportunity instead of building up their own Armed Forces.

Someone may think that General Lopatin simply lacks knowledge and education to see his entire fallacy in signing an amendment to the UADS agreement. As for Moscow's sly generals, they have simply made a fool of him. General Lopatin has not been educated in the General Staff Academy; even from the Air Defense Academy he has been graduated **by correspondence!** Therefore, General Lopatin could not know anything about the theory of control over complex systems, which nullifies any assertions about the possibility to coordinate CIS Air Defense Forces operations without rigid centralized control and allocation of combat tasks from a single command center (obviously, from that of the Russian Air Defense Troops, as it was proposed in the draft UADS agreement).

However, here we have an opinion by another expert in the air defense sphere, General Hrechaninov, a former lecturer at the Air Defense Academy, candidate of sciences, and current presidential aide for military issues. He, too, thinks that the UADS agreement is an "advanced" and "progressive" step. Can it be possible that Candidate of Sciences and General Hrechaninov is also ignorant of the theoretical foundation of armed forces buildup in sovereign states, including air defense forces? An answer may be found in the following: In SLOBODA newspaper No. 91 of January 1992 in his article "A War in the Army," Doctor of Sciences A. Kindratenko, a professor at the University of Kharkov, reports on an event that took place in the Air Defense Academy, which is also located in Kharkov, about 300 meters from the university. At a meeting attended by dozens or perhaps even hundreds of officers, the deputy chief of the Air Defense Academy stated on behalf of the newly created Defense Ministry of Ukraine: "Our people have managed to jump on the last foothold of a departing train (meaning the Defense Ministry of Ukraine). They will now work simultaneously for Kiev and Moscow!!" [passage within quotation marks in Russian] He gave the names of General V.A. Hrechaninov, Colonel Tkachov, and other officers in this connection. It is difficult to assume that the pro-Moscow military leader did not tell the truth at that time; he was just assured that the Defense Ministry of Ukraine will survive for several months at most. The Defense Ministry of Ukraine, however, has existed for almost four years now, and the process of building up the Ukrainian Armed Forces is advancing, even if with difficulty. As for General Hrechaninov, he still continues to exert his influence on this process. This is evidenced by his approving assessment of the anti-Ukrainian UADS agreement.

It is worth adding here that a former subordinate to General Hrechaninov and an officer at the Ukrainian Armed Forces Operational Strategic Research Center, Lieutenant Colonel Lartsev, whose father is a general in Moscow, has published such articles in MOSKOVSKIYE NOVOSTI as "Ukrainian Parliament Dreams About Nuclear Bomb," "Ukrainian Defense," and "Possible Maneuvers." In other words, an officer of the Ukrainian Armed Forces Operational Strategic Research Center actually conducted strategic research on his (?) country in the interests of the neighboring state. Such activities on the part of the Operational Strategic Research Center, headed by General Hrechaninov, possibly led to the successful disbandment of the center in 1993. However, this measure has in some way sidestepped General Hrechaninov, who has even gone higher in his career.

At an international conference devoted to the problems of building up armed forces in sovereign states, representatives of foreign delegation were asked the following question: What would happen to an officer of, for example, the French Army, if it was discovered that he had worked simultaneously for Paris and London? The answer was unambiguous: "Only prison!" This assertion may be corroborated by the fact that it is already 10 years since Jonathan Pollard, a former U.S. Navy Intelligence Service officer, was imprisoned for working for Israel, that is, for both Washington and Tel Aviv at the same time. He was imprisoned despite the fact that the United States and Israel are staunch allies. Hope to God that Ukraine and Russia may have such partnership-like

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relations in the future as the United States and Israel. However, even under such circumstances, people like Jonathan Pollard must serve their term in jail, instead of occupying leading posts in defense ministries and other leading state structures.

The example of the former acting deputy defense minister of Ukraine, General Zhyvytsya, who was **sent** by Moscow to build up the Ukrainian Armed Forces, is also characteristic. Having received a prestigious apartment in Kiev and successfully screwing up his mission, he returned to Moscow to take up an appropriate job in Russia's Defense Ministry.

Does the basic reason for hampering Ukraine's Armed Forces buildup and signing antistate, anti-Ukrainian agreements like that on the UADS not lie in the fact that some military officials are working for Moscow under the disguise of work for Kiev?

Is it not worthwhile for our "conductor" to make all "stowaways" get off "the last foothold of a departing train" (Ukraine's Defense Ministry) to avoid their dirty tricks in the future?

And the last matter. In the 1950's, during the Korean War, General MacArthur, chairman of the U.S. Armed Forces Joint Chiefs of Staff, [as published] made a statement about how it was possible, in his opinion, to put an end to the war. He proposed bombing those areas in China which hosted military camps of guerrillas fighting against the pro-U.S. Korean government. On the face of it, this seems to be a statement of purely military nature. The U.S. Congress, however, saw a political implication in General MacArthur's statement and forced him to resign, since, according to U.S. law, the military has no right to pass political resolutions. This was done despite the fact that MacArthur was a national favorite, a World War II hero!

It is hardly possible to call General Lopatin a hero or Ukraine's favorite. However, proceeding from the fact that the UADS agreement, advocated by him, is of a political nature, it is interesting to know what fate General Lopatin will share — that of General MacArthur, Jonathan Pollard, or General Hrechaninov?

AFTERWORD. I would very much appreciate comments from my opponents if they — in order to defend "the honor of the regiment" or perform a "noble" deed of sucking up to superiors — help me to raise this issue on more than one occasion. In other words, I am encouraging discussion. I think that some people of the above-mentioned leadership will also appreciate your detrimental service. [as published]

Khandogy Concerned About Krajina Hostilities

LD0408170395 Moscow INTERFAX in English 1524 GMT 4 Aug 95

[FBIS Transcribed Text] Kiev, Aug 4 (INTERFAX-UKRAINE) — Ukraine is concerned about the renewal of hostilities in Serb Krajina, in particular by military operations carried out by Croatian army, Ukrainian Deputy Foreign Minister Volodymyr Khandogy told INTERFAX-UKRAINE Friday [4 August]. "We believe that, just like in Bosnia, the use of force can undermine the process of peaceful settlement," he said. He stressed that Ukraine believes that not all political means have been used yet to resolve the conflict. "We agree with yesterday's U.N. security Council statement calling on the conflicting parties to demonstrate maximum endurance and refrain from the use of force," said the diplomat. He noted that the 60th Ukrainian battalion is deployed in Serb Krajina as part of the U.N. peacekeeping forces. "We are concerned with its destiny," said Khandogy.

Peacekeepers To Accompany Refugees

LD0708103795 Kiev UNIAN in Ukrainian 0905 GMT 7 Aug 95

[FBIS Translated Text] Zagreb [no dateline as received] — Negotiations between the leadership of the UN forces, Serbs, and Croats have ended up in the adoption of a decision that "blue helmets," in particular Ukrainian, Jordanian, and Polish peacekeepers, will accompany about 100,000 refugees and military who are trying to leave the self-proclaimed Serb Krajina. Serhiy Mokrynets, commander of the 60th Ukrainian peacekeeping battalion, is taking an active part in the negotiations, Ukraine's Ambassador to Croatia Anatoliy Shostak has told UNIAN.

Shostak said the situation took shape after Croatian troops had seized the town of Knin on the territory of the self-proclaimed Serb Krajina.

The Ukrainian diplomat said the only place for the passage of the refugees and military is a corridor in the vicinity of the Croatian town of Glina, where the 60th Ukrainian battalion is deployed. At the negotiations Serbian representatives requested that the Croatian Army let all the refugees and military withdraw without hindrance.

It is envisaged that four centers to collect surrendered weapons will be set up along the 50-km-long corridor between the towns of Topusko and Dvor on the border between Bosnia and Herzegovina.

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Russia Sees 'Unwillingness' for BSF Concessions

LD0408183095 Kiev UNIAR in Ukrainian 1530 GMT 4 Aug 95

[FBIS Translated Excerpt] Moscow — Our correspondent has learned from confidential sources at the Foreign Ministry of the Russian Federation that the Ukrainian-Russian negotiations, which were held on 2 and 3 August at the level of expert groups for issues of dividing the Black Sea Fleet, showed the unwillingness of the Ukrainian side to make concessions to Russia. [passage omitted]

As regards the bases and deployment sites for the two navies, it became known from well-informed sources at the Russian Foreign Ministry that the following decision had been taken so far: the Black Sea Fleet would use

— the 31st test center with maintenance facilities in Feodosiya; the airfield with maintenance facilities in Gvardeyskoye and the airfield in Oktyabrskoye (to be used temporarily until 1996);
— the 830th communications and relay post in Yalta;
— the 640th radio communications centre in Zelenogorye;
— the 20th hydro-acoustic complex in Sudak District, the 1001st high-frequency communications center and the 2436th rocket fuel depot at the Mamut railway station.

It was decided that the Ukrainian side could use any other facilities that are not mentioned above. [passage omitted]

According to an executive of the Russian Foreign Ministry, the expert commissions managed to coordinate provisional draft agreements on the status of the Black Sea Fleet on the territory of Ukraine and on the parameters of dividing the fleet. The drafts should be finalized within one week and submitted for the consideration of the heads of government of the Russian Federation and Ukraine by 13 August this year.

Deputy Minister Comments on Black Sea Fleet Talks

LD0408141795 Moscow INTERFAX in English 0924 GMT 4 Aug 95

[FBIS Transcribed Text] Kiev, August 4 (INTERFAX-UKRAINE) — Deputy Director of the Arms Control Agency under the Ukrainian Foreign Ministry Vladimir Belashov assesses Ukrainian-Russian negotiations on the division of the Black Sea Fleet as "productive." The negotiations closed Thursday [3 August] in Moscow. The Ukrainian negotiators, including Belashov, were led by Deputy Foreign Minister Konstantin Grishchenko.

The negotiating teams focused primarily on principles for the division of the Black Sea Fleet and the status of the Russian navy vessels in Ukrainian waters. They worked "real hard," he said, and made substantial progress.

According to Belashov, "two or three key problems remain to be resolved at either the prime minister or presidential levels."

In Belashov's view, the negotiating teams did "virtually everything it could."

Next week "experts will be expected to meet for consultations. Then, the prime ministers may have to meet" although a date for their meeting remains to be discussed, Belashov said.

The refusal to allow Ukrainian Navy Commander Vladimir Bezkorovainy to sit on the podium on Navy Day, July 30, in Sevastopol, "could not help but tell" on the negotiators' efforts.

The Ukrainians did protest the incident which, nevertheless, "failed to torpedo the negotiations," Belashov said. In Belashov's view, the two negotiating teams managed to refrain from quarreling and their efforts were constructive.

Deputy Premier Insists Russia Fund Television Relay

LD0408120395 Kiev UNIAN in Ukrainian 0930 GMT 4 Aug 95

[FBIS Translated Text] Kiev — "The problem with the Russian Public Television relay in Ukraine is one of finances rather than politics, and if Ostankino [as heard] does repay Ukraine all of its debt and continues promptly to pay for its air time, the first channel will resume broadcasting Russian Public Television," Ivan Kuras, Ukraine's deputy prime minister in charge of humanitarian policy, told UNIAN.

He added that Russian television should also pay for its extra broadcasts to Ukraine.

"If these requirements are met and if an agreement is signed on the transmission of Russian Public Television programs in 1995, Russian channels will operate as normal," Ivan Kuras said.

Turkey Pledges To Build Housing for Crimean Tatars

WS0408112095 Kiev INTELNEWS in English 0229 GMT 4 Aug 95

[FBIS Transcribed Text] Simferopol, Aug 2 — Turkey will spend US$ 60 million to construct 1,000 apartments

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for Tatars in Crimea in the coming year, Umut Arik, the president of the Turkish Development and Cooperation Agency, confirmed during a Wednesday [2 August] visit to the peninsula.

"The aim of the visit is to set close ties and business cooperation between Turkish business circles and Ukraine and Crimea, in particular," said Arik.

Asked whether the Turkish president was going to fulfill a promise given during his official visit in May 1995 to build the apartments, Arik said "Turkey confirms its promise and this is the main aim of our visit in Crimea."

The Turkish delegation also plans to meet with Tatars Medzhlis leader Mustafa Dzhemilev and Crimean Prime Minister Anatoliy Franchuk. "We believe these meetings will bring good results and hope the relations we set will strengthen in the future," Arik said.

The delegation met Medzhlis Wednesday evening to discuss sites for the apartments in Yalta, Alushta and Simferopol.

National Affairs

President Kuchma Appoints, Relieves Officials

LD0408130395 Kiev UNIAR in Ukrainian 0715 GMT 4 Aug 95

[FBIS Translated Text] [No dateline as received] — Ukrainian President Leonid Kuchma in his decrees has made the following appointments:

Viktor Pinzenik as deputy prime minister of Ukraine for economic reform;

Valeriy Malov as minister for machine building, military industrial complex, and military conversion of Ukraine;

Pavlo Haydutskyy as agriculture and food minister of Ukraine;

Valeriy Yefremov as communications minister,

Viktor Bannykh as chairman of the State Committee for the Defense of Ukrainian State Borders and commander of the border troops of Ukraine;

Oleksandr Sorokin as chairman of the board of the State Export and Import Bank of Ukraine;

Leonid Rozsylnyy as chairman of the board of the state joint stock company, Ukrresursy;

Yuriy Spizhenko as chairman of the state committee for the medical and microbiological industry;

Yuriy Karasyk as adviser to the president of Ukraine on agro- industrial policy; and

Serhiy Hryshchenko as deputy industry minister of Ukraine.

Ukrainian President Leonid Kuchma in his decrees has relieved the following:

Viktor Petrov from the post of minister for machine building, military industrial complex, and military conversion of Ukraine in connection with the resignation of the cabinet;

Yuriy Karasyk from the post of agriculture and food minister;

Oleh Prozhyvalskyy from the post of communications minister in connection with the resignation of the cabinet;

Serhiy Ryabchenko from the post of chairman of the state committee of Ukraine for science and technology in connection with his transfer to another job; and

Pavlo Haydutskyy from the post of chairman of the state committee for land resources in connection with his transfer to another job.

Kuchma Amends Currency Regulation Decree

LD0608100695 Kiev Radio Ukraine World Service in Ukrainian 0500 GMT 6 Aug 95

[FBIS Translated Text] With the aim of stabilizing the exchange rate of the karbovanets and promoting the currency market, Ukraine's president introduced amendments to Article 5 of his 22 August 1994 edict on improving the currency regulation. The new wording of the article is as follows: To establish that the sale of all hard currency earnings for the benefit of residents, which are subject to a compulsory sale in the amount of 50 percent of their total volume, is realized at the Interbank Currency Exchange of Ukraine. Accordingly, the National Bank of Ukraine should amend the procedure of issuing individual licenses to carry out currency transactions, taking into account the fact that permits to carry on retail trade and to provide services on the territory of our state for cash in hard currency have lost their validity since 1 August this year. Also, within two weeks the National Bank of Ukraine should introduce rules on the circulation of foreign currency on the territory of Ukraine.

President on Prices to Farmers for Grain

WS0708105295 Kiev INTELNEWS in English 0105 GMT 5 Aug 95

[FBIS Transcribed Text] Kiev, Aug 4 — President Leonid Kuchma said Friday [4 August] that Ukraine will not pay farmers grain prices higher than those agreed upon in the state contract.

Kuchma made the comments on a visit to Sumy oblast Friday to assess and talk about Ukraine's agriculture.

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In Sumy, Kuchma toured the Svitanok closed-stock agricultural company in Konotop region.

Speaking to company workers, the president said that only structural changes would improve the work of the Ukrainian agricultural complex.

State prices paid to farmers would not be raised, Kuchma said. He tried to allay fears about Ukraine's harvest being sold off to the highest foreign bidder. Kuchma said, "Ukrainian grain will not be transported abroad without state licenses."

According to Kuchma, the state has already bought five million tons of grain from the country's farmers. He said the state would honor its contract to purchase another five million tons.

The president also visited the Zirka industrial corporation in the city of Shostka in the Sumy region.

Kuchma is scheduled to visit Chernihiv oblast Saturday. He will take part in a bridge-opening ceremony there. The bridge spans the Desna river in Chernihiv oblast. Kuchma kept the bridge construction under his own control because the building of the bridge was a request from Kuchma's district constituency. Kuchma was raised in the area where the new bridge was constructed.

Marchuk Views Signing of Agreement With Unions

WS0708110495 Kiev INTELNEWS in English 0105 GMT 5 Aug 95

[FBIS Transcribed Text] Kiev, Aug 4 — The General Tariff Agreement between the Cabinet of Ministers and trade union associations was signed Friday. A bilateral committee had been negotiating to create a final version of an agreement since Nov. 10, 1994.

Prime Minister Yevhen Marchuk said that "signing the General Tariff Agreement has confirmed the ability to solve the most complicated contradictions by way of compromise."

The accord envisions, in particular, third-quarter preparation of draft amendments agreed upon by unions. The amendments would regulate partial employment and social protection of the partially employed. Amendments would establish a three- to five-year employment program and labor market development concept. The amendments would also provide for narrowing the gap between minimum guarantees in labor wages and the poverty level.

Marchuk said the process of negotiations turned out to be complicated and one still cannot count on a cloudless future in relations between government and trade unions.

Marchuk said that just the absence of any discrepancies in this agreement is evidence of real social partnership between the government and trade unions. The 1994 government-union agreement had about 10 discrepancies within its text.

Unions got the Cabinet to agree on ratification of a number of the International Labor Organization conventions.

The trade agreement also includes provisions for settlement of indebtedness on wages in the budget sectors, as well as development and submission to Parliament of draft acts aimed at state replenishment of the budget.

Interior Minister Stresses Crime Fighting

WS0708100395 Kiev INTELNEWS in English 0238 GMT 6 Aug 95

[FBIS Transcribed Text] Kiev, Aug 5 — The Internal Affairs Ministry collegium on Friday said that fighting gangs and organized crime groups will dominate the ministry's mission the rest of the year.

Internal Affairs Minister Yuriy Kravchenko said that economic crimes will constitute a large of his ministry's concerns. He said law enforcement must be particularly attentive to crimes and legal violations committed during the course of privatization. Kravchenko said he has initiated reforms in the ministry to deal with privatization fraud and violations.

According to Kravchenko, activity of the criminal investigation department officers should be aimed at the most serious crimes with the greatest public outcry.

Less serious types of crime should be delegated to district police officers, patrol service personnel, the State Automobile Inspection and other police departments, Kravchenko said.

Kravchenko also said that the leaders of internal affairs local bodies carry personal responsibility for the state of police officers' discipline and observance of legality in the provinces. This issue will be examined at ministry's collegium session in September, Kravchenko added.

Ukrainian FBI Needed To Control Organized Crime

WS0408111895 Kiev INTELNEWS in English 0229 GMT 4 Aug 95

[FBIS Transcribed Text] Kiev, Aug 3 — It is no secret that organized crime in Ukraine is operating as a fifth column, President Leonid Kuchma said Thursday [3 August].

We have failed to narrow the influence of organized crime in Ukrainian society during 1995, Kuchma said.

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However, organized crime structures did not broaden their influence, he added.

Kuchma made the comments at a meeting dedicated to the creation of Ukraine's National Bureau of Investigation. Meeting participants included National Security Council head Volodymyr Horbulin and Vasyl Durdynets, deputy prime minister on national security issues and extraordinary situations. Durdynets also heads the coordinating committee on fighting corruption and organized crime, reporting to the president.

Kuchma said that organized crime is the number one threat to Ukraine today. The president has always believed this, he said, and that is why his first decree in office was on strengthening the fight against corruption and organized crime, passed in July 1994.

One year later, the struggle against the underworld remains my most pressing problem, Kuchma said.

Yuriy Havrylov, presidential adviser on national security issues, said NBI creation reflects an existing necessity.

"New kind of crimes have appeared in society," and new organizations to combat them should be created, Havrylov said.

The exact date establishing the bureau is yet not definite, administration officials said. However, a decree creating the bureau is circulating in the administration, ready for the president's signature, according to the administration.

According to Hryhoriy Omelchenko, head of the parliamentary anti-corruption and organized crime committee, the future bureau's leader will be recommended by the president and approved by Parliament.

Commenting on financing the proposed agency, Volodymyr Radchenko, National Security Service chief said the new body would be partly financed from the Security Service budget.

According to Havrylov, the bureau is to be financed through the state's general budget as well.

Radchenko stressed that work of the new law enforcement agency should not detract from the efforts of bodies already in existence.

The NBI would report to the president and be based on the Security Service and Internal Affairs Ministry's corruption and organized crime divisions. The NBI operations will be modeled after the U.S. Federal Bureau of Investigation, officials said. The new bureau would also use FBI experience in combating organized crime.

An FBI delegation, headed by Mike Peremuka, was in Kiev during May and discussed aspects of NBI creation with Ukraine's officials.

According to Radchenko, Ukraine's new organization should get "legal body" status.

Volodymyr Stretovych, head of the parliamentary Legal Committee, said amendments to current legislation, including the Criminal Code of Ukraine, were necessary and would be made.

The idea of creating a body such as the NBI makes sense, Stretovych said.

However, according to Stretovych, such a body "may become a tool in the political struggle" against certain opposing politicians.

"I think that the Security Service and Internal Affairs Ministry have enough forces to fight corruption and organized crime," Stretovych said.

Durdynets said that the president's 1994 decree on strengthening measures to fight corruption and organized crime "has not been executed enough."

The crime, according to Durdynets, "is now becoming interregional and international." Durdynets said, "The crime in Ukraine is growing faster than in the other countries."

First Deputy Speaker of Parliament Oleksandr Tkachenko participated in the presidential administration meeting. Omelchenko said that Tkachenko should not have participated in the meeting for moral and ethical reasons.

Tkachenko has been embroiled with General Prosecutor of Ukraine Vladyslav Datsiuk over the Land and People agricultural association. The Prosecutor's Office in June petitioned Parliament for permission to bring suit against Tkachenko for financial malfeasance surrounding the organization that Tkachenko founded. Tkachenko was accused of interfering into prosecutors' investigations of the Land and People case.

Edict on Preparations for Foreign Presidential Visits

LD0408161795 Moscow INTERFAX in English 1205 GMT 4 Aug 95

[FBIS Transcribed Text] Kiev, August 4 (INTERFAX-UKRAINE) — The Ukrainian President Leonid Kuchma has issued a decree establishing the order of preparations for foreign presidential visits and the implementation of agreements reached in the course of these visits. According to the Decree, Ministries, Departments and other central bodies of state executive

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power have to prepare all materials for a visit and to submit them to the Presidential Administration no later than 2 weeks prior to the visit. Other terms for the submission of materials can be established by the Head of Presidential Administration if it is necessary. The Ukrainian Foreign Ministry is to prepare a programme of a presidential foreign visit and hand it to the presidential Administration two weeks before a visit. It also provided by the Decree that an advanced group of officials is to leave for a country of the visit. One representative from each of Foreign Ministry, Foreign Trade Ministry, Foreign Policy Department of the Presidential Administration, Protocol Service and, if necessary, of other bodies of power are to be included in the delegation. The make-up of the advanced group is to be decided on by the Head of Presidential Administration. The Cabinet is to issue a corresponding decree on results of presidential foreign visit and for ensuring control over agreements reached within one week's time after a visit. The Cabinet is to provide monthly reports to the President about the implementation of the decree. The leading officials and heads of Ministries and other central power bodies will be held personally responsibile for preparations for visits and for the implementation of agreements reached in their course.

Illegal Migration 'Brought Under Control'

WS0708100695 Kiev INTELNEWS in English 0053 GMT 7 Aug 95

[FBIS Transcribed Text] Kiev, Aug 5 — Ukraine is managing to get a grip on its problems with illegal migration, according to Viktor Bannykh, commander of the country's border troops.

The commander said that, owing to the actions of the border troops and law enforcement bodies as well as diplomatic efforts, the problems of illegal migration in the first half of 1995 "were managed to be brought under control."

Bannykh said that the flow of illegal migration over the Ukrainian borders during this period was 26 percent less than the first half of last year.

According to the State Border Committee, in the first half of 1995, the border guards detected and eliminated 72 channels of illegal migration and halted the activity of 30 criminal groups engaged in the organization and transfer over borders of illegal migrants. Forty-four organizers of such transfers were arrested, and criminal proceedings were initiated against 99 persons.

Commission To Sum Up Results of Kharkov Sewage Accident

LD0708094295 Kiev UNIAN in Ukrainian 0905 GMT 7 Aug 95

[FBIS Translated Text] Kharkov [no date as received] — On 7 August, Vasyl Durdynets, Ukraine's deputy prime minister for state security and emergency situations arrived in Kharkov on a working visit.

Vasul Ustymenko, the chief of the deputy prime minister's service, has told UNIAN that the results of the work done by the government commission set up to eliminate the accident at the Dykanivski sewerage installations will be summed up during the course of the one-day trip.

According to Ustymenko, the commission stated that the accident could be considered eliminated after the third pump was put into operation on Saturday, 5 August.

Uranium Ore Miners Meet Deputy Premier

WS0408111695 Kiev KIYEVSKIYE VEDOMOSTI in Russian 2 Aug 95 pp 1-2

[Report by Volodymyr Zamanskyy: "'Enough!' — Miners Told the Government Yesterday"]

[FBIS Translated Text] On 1 August, miners from Ukrainian uranium mines threatened to stage strikes at a meeting with Ukrainian Deputy Prime Minister Anatoliy Kinakh. Its consequences may prove catastrophic.

The Eastern mining and processing amalgamation, Ukraine's only uranium ore provider, is suspending its operation. A spontaneous strike will paralyze all mines, thus crippling the vitally important enterprises in Zhovti Vody, Kirovohrad, and the settlement of Smolino which all work on the amalgamation's supplies. This will be a catastrophe for hundreds of thousands of people: The amalgamation ensures electricity and heat to hospitals, schools, and the meat processing and dairy plants...

Yesterday, KIYEVSKIYE VEDOMOSTI correspondents met and had a long talk with a delegation of miners that arrived in Kiev. The delegation brought an appeal of delegates to the conference addressed to the president, prime minister, and legislative speaker. The appeal said that the "notorious non-payments made the amalgamation's further work impossible, forcing it to stop work."

Miners employed at the amalgamation have not received wages since May, the miners said. As wages have not been increased since January, a miner has to spend half of his pay on apartment rent. Another reason why municipal services are so expensive for uranium ore

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producers is that their dwellings have not yet been connected to the gas pipeline. At present, this is an issue of prime importance for the amalgamation.

The miner's pension does not reach even 2 million karbovantsi, while diseases induced by the work in pits are numerous and diverse.

"Do you see these stains?" — Ihor Kazan is rolling up his sleeves. "Doctors look at them and say that I need to be treated. But where am I supposed to buy medicine? And for what money?!"

The extraction works at the uranium ore mines are nearing a depth of one kilometer. In other countries, they install air conditioners in such mines so that people do not suffer from underground heat. We do not have such conditioners.

The quality of the raw material extracted in Zhovti Vody and Smolino is up to the world's highest standards. But it sells for so-called wholesale prices, which are in fact dumping prices.

Mykhaylo Babak, managing director of the Eastern amalgamation, is convinced that this is a result of the deliberate policies pursued by Western countries which do not need an additional competitor on the uranium market.

The ore extracted in Ukraine is shipped to Russia where it is used to produce nuclear fuel. If Ukraine had such an enterprise, it would bring the country $100-150 million in profits annually. But it will not be built in our country for four to five years. We pay world prices to Russia for heat-emitting elements, TVELs [rods], made of our raw materials.

Yesterday, the miners delegation, along with Managing Director Mykhaylo Babak and Valeriy Matov, chairman of the trade union committee, met with Deputy Prime Minister Anatoliy Kinakh. The workers and engineers told him about their miseries. The deputy prime minister listened to them with deep attention.

"Do you hope for success," I asked the workers? They only shrugged. One of them waved his hand: "Things will remain as they are anyway."

One should hope they are wrong.

Economic Issues

Canadian Firm Invests in Diamond Exploration

AU0408162495 Kiev HOLOS UKRAYINY in Ukrainian 2 Aug 95 p 4

[Unattributed report: "Diamonds Wherever One Digs?"]

[FBIS Translated Text] It appears that the Canadian firm "Consolidated Newgate Minerals" has decided to prove in practice that Ukraine is still full of surprises and can be expected to offer anything. Recently, the company completed an airborne survey of the territory measuring about 300 square kilometers at the contact between Zhytomyr and Khmelnytskyy Oblasts with the purpose of revealing commercial diamond deposits in Ukraine. The INTERFAX- UKRAYINA Agency learned about this from Mykola Lebid, chief of the Main Administration for Regional Operations at Ukraine's State Committee for Geology and Utilization of Earth's Depths.

The exploration was conducted in accordance with the terms of the contract concluded by the "Consolidated Newgate Minerals" with the state geological enterprise "Pivnichukrheolohiya" [Northern Ukrainian Geology]. The Canadian firm's investments constituted $1 million in the form of equipment and materials necessary for the survey.

According to M. Lebid, a territory of 500 square kilometers is promising for Ukrainian diamonds. It covers Volyn, Rivne, Kiev, Zhytomyr, Donetsk, Dnipropetrovsk, and other Ukrainian Oblasts.

Other Canadian enterprises also conduct negotiations on their possible participation in the exploration. It is planned to hold a tender for foreign investors.

Daimler-Benz Shipping Line Plans Spark Controversy

MM0408160095 Moscow IZVESTIYA in Russian 2 Aug 95 p 2

[Report by Leonid Kapelyushnyy: "Daimler-Benz Concern Intends To Refloat Black Sea Shipping Line"]

[FBIS Translated Text] Odessa — The world's largest shipping company has long been well and truly on the rocks due to debt. Torn apart by scandals and harried by checks and commissions, the company is disastrously losing the trust of its partners. Today dozens of its vessels — those which are most profitable and capable of earning big money — have been arrested for debt in various ports of the world.

The major German concern Daimler-Benz, which has an annual turnover of hundreds of billions of dollars, has indicated its readiness to assist the Black Sea Shipping Line. The conditions have been set out in a statement of intent signed by Roman Shpek, Ukrainian Government Vice Premier, and Dr. Manfred Bischoff, member of the Daimler-Benz board, during Ukrainian President Leonid Kuchma's visit to Germany.

The statement's 12 points stipulate that Daimler-Benz will gain temporary use of the Ukrainian ships, allocating $350 million for this, which is $90 million more

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than the shipping line's revenue. The leased ships remain Ukrainian property, the crews working on them are mostly Ukrainian, and the profit made by Daimler-Benz will be invested in Ukraine. There is also a proposal to form a joint venture on Cyprus which would safeguard the vessels from being arrested. However....

Oleksiy Koval, who took the helm as president of the Black Sea Shipping Line six months ago, stated that he regards the Ukrainian fleet's return home under the efficient management of his shipping line as a main element in the management's activities to get it out of difficulties. But the agreement with Daimler-Benz only leaves technical management in Ukrainian hands.

Evidently, Daimler-Benz will select the Hamburg joint-stock company Shtinnes [as transliterated] to be in charge of the Ukrainian vessels. Sparks are flying between the Black Sea Shipping Line and Shtinnes. An image of Shtinnes as a predatory company has been formed in the Ukrainian press. The reason for this is the contract concerning joint activities concluded by the former Black Sea Shipping Line chief, Pavlo Kudyukyn, who is now under investigation at Lukyanivska Jail

But I have reason to claim that Shtinnes carries out its duties impeccably and to the letter. Documents that I have received confirm the German side's probity.

Today it is clear that the Black Sea Shipping Line has become a bargaining counter in the political games being played out in Ukraine. For a long time now the government has said neither "yes" nor "no" to the Black Sea Shipping Line's proposals for getting itself out of trouble. In the last few days, largely thanks to the new premier, Yevhen Marchuk, the Cabinet of Ministers has made up its mind and adopted a program document worked up by Koval's team. Specialists recommended getting rid of the unprofitable part of the fleet and giving up single-trip charters. One of the program's points proposes forming offshore shipping groups "in those places where this will prove essential and profitable for the operation of our fleet."

Meantime the Ukrainian parliament has declared a moratorium on the Black Sea Shipping Line's privatization. Oleksiy Koval is going to have to convince the authorities that the shipping line cannot be saved without the formation of a joint-stock company.

Oleksiy Koval insists that the enterprise — which will be set up jointly with the investor — should be registered in Odessa, set up on the basis of Ukrainian legislation, participate in the drawing up of the national budget, and play a role in the creation of the infrastructure of Ukraine's merchant marine.

Resolution on Ministry of Foreign Economic Relations

WS0708104395 Kiev VYBIR in English 0806 GMT 7 Aug 95

[Resolution No. 566 of 31 July 1995; from the "Ukraine in Documents" feature]

[FBIS Transcribed Text] In pursuance of edicts of the president of Ukraine No. 560 (560/95) "On Forming the Ministry of Foreign Economic Relations and Trade of Ukraine" of July 3, 1995, and No. 603 (603/95) "On State Regulation of Relations in the Sphere of Trade" of July 11, 1995, the Cabinet of Ministers of Ukraine hereby resolves:

1. The Ministry of Foreign Economic Relations and Trade shall be the legal successor of the former Ministry of Foreign Economic Relations.

2. Enterprises and institutions listed in the enclosed supplement shall be subordinated to the Ministry of Foreign Economic Relations and Trade.

3. In view of assuming additional functions and responsibilities in the sphere of trade, the Ministry of Foreign Economic Relations and Trade shall be assigned a central apparatus made up of 45 persons.

4. The Ministry of Foreign Economic Relations and Trade shall be allowed to have seven deputy ministers, including two first deputies, and a board composed of 15 members.

5. The Ministry of Finance shall arrange for budget assignations for the maintenance of the central apparatus of the Ministry for Foreign Economic Relations and Trade.

6. In pursuance of Articles 2 and 4, edict No. 603 of the president of Ukraine "On State Regulation of Relations in the Sphere of Trade" of July 11, 1995, the Ministry of Foreign Economic Relations and Trade shall, within two weeks, submit proposals concerning the structure and subordination (direct and dual) of local organs of the ministry.

7. Clause 2, Resolution No. 41 of the Cabinet of Ministers of Ukraine On the Subject of the Ministry of Foreign Economic Relations of January 23, 1993, and Clause 1, Resolution No. 50 of the Cabinet of Ministers of Ukraine "On Transfer of Enterprises to the Jurisdiction of the Ministry of Foreign Economic Relations" shall henceforth be held as null and void.

Signed: Prime Minister of Ukraine Yevhen Marchuk.

V. Pustovoytenko, Minister of the Cabinet of Ministers of Ukraine.

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Supplement to Resolution No. 566 of the Cabinet of Ministers of Ukraine of July 31, 1995

List of enterprises and institutions subordinated to the Ministry of Foreign Economic Relations and Trade:

Academy of Foreign Trade;

Advanced Courses of Foreign Languages under the Ministry of Foreign Economic Relations and Trade;

Operations Department, Center for Foreign Economic Contacts;

State foreign economic enterprises:

Ukrriznoexport [Ukraine's Various Exports]

Zovnishexpobiznes [Foreign Exports Business]

Kashtan trade enterprises in: Dniepropetrovsk, Transcarpathia, Zaporizhzhya, Odessa, Ternopil, Chernivtsi Oblasts and the city of Sevastopol;

Enterprises:

Azovzovnishtrans [Azov Foreign Transportation];

Kerchzovnishtrans;

Mykolayivzovnishtrans;

Izmailzovnishtrans;

Renizovnishtrans;

Odessazovnishtrans;

Khersonzovnishtrans;

Kievzovnishtrans;

Ukroboronservice [Ukraine's Defense Industry Service];

Zovnishtorhvydav Ukraine's Publishing Company;

Krymodyah [Crimean Garments] trade-and-production enterprise;

Tekhnoservice Enterprise (Kremenchuk);

Halant Enterprise (Ternopil);

TSP Specialized Trade Enterprise (Kharkov);

Ukroptbakaliya wholesale enterprise (Kiev);

the trade-and-production enterprise for packaging foodstuffs (Kiev);

Kiev motor transport enterprise;

Kiev cardboard packaging factory;

Kiev specialized trade-and-sales base.

Signed: V. Pustovoytenko, Minister of the Cabinet of Ministers of Ukraine.

Presidential Adviser Urges Introduction of Hryvnya

WS0708104595 Kiev KIYEVSKIYE VEDOMOSTI in Russian 3 Aug 95 p 6

[Article by Anatoliy Halchynskyy, presidential adviser for macroeconomic issues: "In October, We Will Have the Hryvnya, Unless the Government's Nerves Give Out"]

[FBIS Translated Excerpt] **Several days ago, "The Economist," one of the West's most respected magazines, published an article titled "Better Late Than Never, Maybe" [title in English]. The article was devoted to Ukrainian reforms. Its author reminded us that one year after the collapse of the Soviet Union, the World Bank wrote in one of its reports that Ukraine possesses a sufficient economic potential to take a worthy place among the world's richest countries. Some time ago, a similar conclusion was made by one of the leading German banks.**

Whatever happened to the Ukrainian economy? Why has it plunged into the gravest of crises for the last five years? Perhaps the assessment of our economy given by the most authoritative financial organizations were incorrect; perhaps they simply overestimated us?

No and a thousand times no. This is my conviction and I can prove my point of view with figures. "We have what we have" not because "we did not have anything," as some attempted to prove — it is actually a result of the fact that in new conditions, we have not managed to take advantage of what we had, squandering our assets. God only knows why; maybe because of someone's professional ineptness or lack of managerial skill. [passage omitted]

What should become the core of Leonid Kuchma's monetary reform?

Not, I believe, reform for reform's sake. Efficiency of mechanisms of post-reform stabilization will be a determining factor. This is an issue on which the state commission, with the president's direct participation, is currently working. We have meetings, chaired by the prime minister, almost without interruptions: Saturday, Thursday, and again Saturday. In the meantime, specific groups are conducting research. A lot of things have already been done. They, however, require a separate discussion. There can be no secrets here. Still, let me explain several points pertaining to the reform itself. I will touch upon the currency issue.

The reform should, first of all, put an end to the current situation where the economy's operation is based on two parallel currencies. In our country, the dollar is still performing the main function of money — it is used

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as the measure of value and a tool of accumulation. This is only profitable for foreign capital. I hope that all arguments that had been voiced by Western experts against introducing the hryvnya do not stem from this fact. There is one thing, however, that all of us should realize: Our economy, if it is based on two currencies, cannot be efficient. Moving the money within the state, converting it from dollars into coupons and again back in dollars, is always, even under low inflation, more profitable than investing in industry. I think that the decision adopted to extend in time the phasing out of the dollar as the legal tender is optimal. In fact, this is the beginning of monetary reform in Ukraine. This time lag, however, should be kept as short as possible. The coupon, which is about to be replaced, should not stand in opposition to the dollar. Should the Ukrainian highest management's nerves give out, the worst predictions will materialize. Based on that reasoning, I pressed against the similar measure in February. At that time, it was not directly linked with the hryvnya issue.

Many serious specialists propose that the hryvnya exchange rate be tied up to that of the U.S. dollar of German mark. I believe that this would be a premature step right now. It would require huge foreign exchange reserves and, most important, absence of the payment balance deficit. We have certain problems in this sphere. This is why a better option would be to preserve the present system of a floating rate. The NBU [Ukrainian National Bank] has already accumulated a sufficient reserve for such a system.

As for stability of the new currency, it will be determined by a tough monetary policy. But this, in fact, is going to be a completely new credit and monetary policy. It may rely on new, often times psychological factors. I believe that even the most vehement lobbyists will not force the parliament, much less the government, to allow for financially unsupported expenditures. Otherwise, this could be regarded as an explicit betrayal of Ukrainian national interests. I am sure that the situation will change dramatically in this connection.

But this is not the most important thing. We attempted to implement the monetary stabilization policies also in the past, and we also tried to do many of the things that we are trying to do now. The results are well known: We failed, and we could not possibly have succeeded. With the coupon-dollar, or more precisely, the dollar-coupon circulation, no stabilization is possible. Some time ago in Canada, I attempted to use U.S. dollars in order to buy a small souvenir for my granddaughter. They refused to sell it. And they were perfectly right. Such rules apply in practically all countries. We, on the contrary, are pushing our industry into an abyss and trying to stabilize our monetary sphere by squeezing the emission process. While doing this, we do not realize that with two parallel currencies, such stabilization can only produce short-lived success. As a matter of fact, we base the entire search for new stabilization mechanisms on this new situation.

In conclusion, I would like to go back to "The Economist's" article. Perhaps it is better late than never — this is the general description of Ukraine's reform logic. The same can be applied to the much-anguished monetary reform — the reform on which we place our hopes for our economic revival.

And the last thing. As one of the prominent Western monetarists wrote in the 1930's, the strength of a state and its image on the international arena is not determined by the number of cannons and soldiers, but by stability and strength of its monetary unit. Let us believe in it. This is very important.

Nonpayments in Energy Sector May Lead to Bankruptcy

WS0708100795 Kiev VYBIR in English 0806 GMT 7 Aug 95

[Commentary by Heorhiy Larin: "Nonpayment Crisis Climaxes in a Chain Reaction of Bankruptcies"; from the "Ukrainian News" feature]

[FBIS Transcribed Text] If the truth were to be told, Ukraine's coal miners were not the first to start fighting their debtors. They were preceded by the railroad where sharply increased fines and other penalties had been levied on all customers, coal miners included. And before that, there had been the power engineering people who had promised to cut off electricity supplies to hardened defaulters, and had tried this cardinal tactic on the railroad. And so, coal miners simply closed the logical circle. The Ministry of Coal Industry, supported by all directors general of mining enterprises, and by the Central Committee of Coal Unions, resolved to suspend, starting at midnight, July 25, all loading operations for customers which had not paid for deliveries made by July 24. This decision extended to the power engineering sector, where the only retaliation would be to cut off power lines to the pits (the arrears being mostly bilateral).

"This decision is being strictly observed," Vadym Kopylov, deputy coal minister, told UPressa on July 1. "We warned all of them, in no uncertain terms, that we would load coal only after payments in advance, except shipments on account of power, materials, and metal supplies. A special Ministry conference discussed this topic on July 29. It was attended by directors general and chairmen of territorial union committees. Those present

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unanimously seconded the directive to use excessive sanctions against defaulters. What is happening in terms of wage payments in the coal industry cannot be tolerated any longer."

As for the power industry, with its acute shortage of coal supplies (the latest press conference at the Ministry of Power Engineering revealed that only one-third of the 9 million tonnes of coal required for winter heating and electricity supplies was available), Vadym Kopylov is confident that "the power engineering sector will have to find a way to buy coal supplies. It is a problem which must be handled by both the Coal Ministry and the government which should perhaps give them credits for winter coal purchases. The Ministry of Power Engineering used to receive such soft credits every year. This year such credits were also given, but they were spent on gas and fuel oil."

The Ministry of Industries also found itself among the coal miners' debtors. Just like the power engineering sector, this ministry says it has no money, because of the nonpayment crisis, and it likewise relies on support from the Unions' Central Committee. The metallurgical and mining unions' leadership demand that the three-year crisis be liquidated, while annulling the president's edict "On Measures to Normalize Payments Discipline," of 03.16.95, which (so they claim) resulted in wage payment delays. Together with railroad workers, metallurgists and petrochemists demand preservation of state regulation of prices for energy resources, and together with coal miners they want to contain price increases in rail deliveries; together with transport and power engineering people, coal miners demand that all their consumers — enterprises and citizens alike — pay for their services in full. Despite obvious discrepancies, these demands have one thing in common: If you need us, make sure that we have adequate working and living conditions, that we are paid wages on time, and no beating around the bush, or else!...

Indeed, or else. It is no secret that this warning implies not only the possibility of not having adequate working and living conditions, but also the denial of one's being actually needed. All of them — coal miners, steel workers, consumers of steel and cast iron, and consumers of products made of steel and cast iron — face the risk of winding up the worst off in this vicious circle of mutual nonpayments and debts. Most likely, it will not be a separate branch. There will be losers in every industry. It means that the ongoing crisis of nonpayments, which no one can tolerate any longer, stands a good chance of turning into a chain reaction of bankruptcies, when enterprises will have to close, only because they owe more debts than they can collect from their own debtors.

Crimea Unemployment Slowly Growing

954F2938A Simferopol KRYMSKAYA PRAVDA in Russian 26 Jul 95 p 1

[Article by I. Dyakov: "Economic Review: Unemployment Is Setting In"]

[FBIS Translated Text] Although not as quickly as the experts predicted, unemployment in the Crimea is nevertheless growing. The republic's employment center presented data on this score for January-June of this year.

Its city and rayon services registered 15,910 citizens who are unemployed and seeking work. Of these, 12,720 persons applied for the corresponding assistance in the first six months. This is 279 persons more than in the corresponding period of last year.

At the same time 1,338 citizens applied here who were temporarily not employed on a main job, who wanted to work during time free from training, or have a second job. Among them are many veterans and invalids; after all, it is difficult to live on a pension now.

Tension could grow on the labor market in the next few months. The fact is that already in the first quarter, according to information of the State Committee for Statistics of Crimea, 44,596 persons were on leave at the initiative of the administrations of enterprises. This is 7.3 percent of the average list of workers at enterprises that submitted accounts. Moreover, 17,000 persons worked a partial work week. Total losses of work time as a result of this amounted to about 1.5 million man-days. Temporary unpaid leaves would not be converted to permanent unpaid leaves.

A very dismal picture in this regard has developed in light industry enterprises. There is not enough working capital for the acquisition of raw materials and other material. In addition, they have become very expensive. For example, the full complement of the collective of the Simferopol fancy leather goods factory and the Trikotazh [knitted ware] association went on leave at the initiative of the administration.

This year the employment center with its own services initiated work on job placement for the unemployed. They have begun to remind managers of enterprises more frequently and to demand that they submit information on vacancies. According to the situation on 1 June, 4,327 enterprises and institutions responded and reported that they have 7,222 unoccupied positions. For each registered unemployed person there are 1.1 vacant work positions. It is true that in Dzhankoyskiy Rayon the index is 0.02. in Krasnogvardeyskiy Rayon—0.04,

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Nizhnegorskiy Rayon—0.04, and Belogorskiy Rayon—0.07. Given the lack of development of the housing market, for example, the Dzhankoyskiy Rayon unemployed person gets little joy from the fact that there are vacancies in Simferopol.

Nevertheless, in January-June the employment services provided jobs for 6,876 persons who applied for assistance.

It is interesting that workers who were former servicemen and were discharged at their own request were placed in jobs more successfully than others. On the other hand, it turns out to be more difficult for graduates of schools and professional educational-training institutions, and for women. For the job placement of citizens who need social protection, 7,765 work positions were reserved. Moreover, this year owing to all sources of financing it is planned to put 1,577 new work positions into effect. More than 25 billion karbovantsy were allocated for this from the employment fund in the first six months. The main thing is that these positions also not prove to be unnecessary. This will depend to a significant degree on the economic policy of the state.

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Belarus

Moscow Mayor Luzhkov Pays One-Day Visit to Minsk

Chigir, Luzhkov Sign Cooperation Agreements

LD0408210395 Moscow INTERFAX in English 1909 GMT 4 Aug 95

[FBIS Transcribed Text] Minsk, Aug 4 (INTERFAX-WEST) — Belarusian Prime Minister Mikhail Chigir and Moscow Mayor Yuriy Luzhkov signed an agreement on cooperation in the economic, technical-and-scientific and cultural areas in Minsk today. Chigir told a press conference after the signing that under the agreement Moscow intends to raise the purchase of agricultural products from Belarus by 10 times in the near future. Luzhkov said the Moscow government would give Belarusian producers a number of shops for direct sale in order to increase the volume of trade. He said Russia would buy from Belarus this year 29,000 tonnes of meat products, 12,000 tonnes of potatoes and 10,000 tonnes of cabbage. Luzhkov said, "We would like to have these volumes increased to 70,000 tonnes of potatoes, 120,000 tonnes of meat and meat products and 15,000 tonnes of cabbage in the next few years." Luzhkov said Moscow was ready to participate in the creation in Belarus of a plant for producing dairy products, like yogurt, for further direct delivery to Moscow. He said Moscow was also ready to increase by 10 times its import of canned dairy products. Chigir and Luzhkov said that during the talks they had managed to resolve the problem related to pricing. Belarus and Moscow decided that the products would be priced according to the world's average prices. Luzhkov and Belarusian President Alyaksandr Lukashenka held talks today. Luzhkov described this meeting as "surprisingly pleasant because not a single political issue was raised."

Luzhkov Food Talks Previewed

MK0508091095 Moscow SEGODNYA in Russian 4 Aug 95 p 8

[Report by Valentin Zhdanko: "Belarusian Food Will Appear on Moscow Market If Mayor Luzhkov and Republic's Authorities Agree on Prices"]

[FBIS Translated Text] Mayor of Moscow Yuriy Luzhkov is visiting the Belarusian capital today. The main subject of numerous meetings and discussions with the republic's leadership, including with President Alyaksandr Lukashenka, is the possibility of expanding deliveries of Belarusian food to the Moscow market.

Following the elimination of customs border between Belarus and Russia, ideal possibilities have opened up for local agricultural producers to enter the vast Russian market — all the more so since the competition has considerably weakened in the wake of the duties imposed on Western products. But the good intentions of the Belarus kolkhoz-sovkhoz agro-industrial complex have come up against the stern reality of a market Russia. The Russian market is ready to absorb a considerable amount of food, but Belarusian producers are not happy with its prices, as the prime cost of food they produce is as a rule higher than world prices. For example, Russian consumers offer $2.1 for a kilo of butter. But its prime cost in an average kolkhoz near Minsk is $2.3 or $2.5. The same situation applies to beef, pork, and poultry.

Clearly, such a high prime cost is not because Belarus's milkmaids and cattlemen are paid far from a pittance, but primarily because of the total inefficiency and massive theft that pervade the entire kolkhoz system, which has not changed appreciably in Belarus through the efforts of past and present leaders. The position of Belarusian kolkhozes has been steadily deteriorating in recent years. As a result, as little as 67 farms manage to make both ends meet — this is 2.7 percent of the total number. The rest are completely bankrupt and only counting on help from the state.

Belarus Agriculture and Food Minister Vasiliy Leonov admits that the continued existence of the kolkhoz system without a radical reform of property relations has no future. As he sees it, a massive disintegration of kolkhozes may happen as early as this coming fall.

Mr. Leonov hopes that Russian capital will help reform the Belarus food industry. The minister is going to discuss this subject with Mr. Luzhkov. The talks will also cover shipments to the Russian capital of potatoes, vegetables, and concentrated and canned food. The discussions will focus on prices. There already was an instance early this past May where Moscow turned down Belarus beef at $1.5 per kilo and opted for Ukrainian and Romanian beef they promised to deliver at $1.2. The minister fears that similar situations will recur in the future.

Interest in Acquiring Agricultural Produce

LD0408162095 Moscow Mayak Radio Network in Russian 1400 GMT 4 Aug 95

[FBIS Translated Text] Moscow is interested in acquiring Belarusian agricultural produce and is prepared to offer Belarus articles and machinery of its machine-tool industry. This statement was made by Moscow Mayor Yuriy Luzhkov. We recall that he is in Minsk on a one-day visit at the invitation of Belarusian President Alyaksandr Lukashenka. Yuriy Luzhkov today held talks with

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Mikhail Chygir, the head of the Belarusian Cabinet of Ministers.

Lukashenka, Gazprom Director Hold Cooperation Talks

LD0408161695 Moscow INTERFAX in English 1153 GMT 4 Aug 95

[FBIS Transcribed Text] Moscow, August 4 (PIA - INTERFAX) — Belarusian President Alyaksandr Lukashenka and Director of the Russian Gazprom joint-stock company Rem Vyakhirev discussed prospects for bilateral gas cooperation on Friday in Minsk, sources at the Gazprom press service told the Interfax Petroleum Information Agency today. The sides coordinated ways to pay the Belarusian gas debt, exceeding $400 million. This year the Belarusian leadership hopes to settle the problem of current debts for Russian fuel supplies. They have also discussed economic aspects of the construction of the Yamal-Western Europe gas pipeline over Belarusian territory and "cooperation forms that correspond to new political and economic conditions." The stretch of the pipeline to be laid on Belarusian territory is expected to exceed 570 kilometers. Under an intergovernmental agreement, Russia will supply 16 billion cubic meters of gas to Belarus in 1995. According to the Russian Ministry for Cooperation with Commonwealth member-states, actual delivery in the first half of 1995 reached 7.2 billion cubic meters.

Handover of Nuclear Missiles to Russia Never Halted

LD0508132595 Moscow INTERFAX in English 1228 GMT 5 Aug 95

[FBIS Transcribed Text] MINSK, AUGUST 5 (INTERFAX-WEST) — The Belarusian leaders never halted the handover of strategic nuclear missiles to Russia, a high-ranking officer on the staff of the Belarusian Foreign Ministry told INTERFAX. As many as 18 strategic nuclear missiles are still positioned in Belarus.

According to the Foreign Ministry spokesman, Belarusian President Lukashenka suggested "a slower transfer of the Russian strategic forces" because "Russia fails to meet the withdrawal agreement" which provides, among other things, for the elimination of environmental hazards on the grounds of the deserted Russian army compounds.

Under the agreement signed in September, 1993, the Russian military are to pull out of Belarus by December, 1996.

In the past several months, according to the source, the Russian military are working ahead of schedule in a bid to transfer the nuclear weapons from Belarus to Russia but fail to meet in full measure the provision on environmental protection.

The Defense Ministry is running a high budget deficit, the source said, because it has spent too much on operations in Chechnya.

In the source's view, the Russian Defense Ministry "decided to make up for it by accelerating the withdrawal of its strategic divisions from Belarus." The divisions in question are to be disbanded.

Israeli Delegation Arrives on Unofficial Visit

WS0708093295 Minsk Radio Minsk Network in Belarusian 0700 GMT 7 Aug 95

[FBIS Translated Text] An Israeli delegation arrived on an unofficial visit to Minsk on 6 August. The delegation is comprised of the general director of the Likud party, the deputy mayor of Haifa, which is the third largest city [in Israel], and party activists and businessmen. As our correspondent has found out from reliable sources, during the visit to the capital of Belarus, the delegation is going to meet representatives of some of the Belarusian parties and movements, and entrepreneurs [words indistinct] to obtain information on the socioeconomic situation in the Republic.

Moldova

Privatization Minister on Results of Washington Talks

AU0408212495 Chisinau INFOTAG in English 1831 GMT 3 Aug 95

[FBIS Transcribed Text] Chisinau INFOTAG, 3/8/1995 — Despite the U.S. Congress' intention to considerably cut technical assistance to the newly independent states, the United States of America will continue to support Moldovan privatization, communicated the minister of privatization, Ceslav Ciobanu.

The minister has just returned from a business trip to Washington, where he stayed at the invitation of U.S. AID. Commenting on the results of his visit, Ciobanu said that in the near future Moldova would receive U.S. technical assistance in such fields as enterprise restructuring, privatization of land, telecommunications, and public relations.

During his meetings with the World Bank management, the minister urged the second $30 million credit installment for the support of structural development. The World Bank made no claims against Moldovan privatization, said Ciobanu.

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The ministry of privatization is going to cooperate, rather than compete with the newly established non-governmental Agency for Post- Privatization. "The agency will uphold 10 enterprises, while similar assistance is sought by 1,000 companies," said Ciobanu.

The minister informed that the yearly session of the World Bank in autumn will hold presentation for six countries cited for successful reforms. Moldova is the only CIS country partaking in the A-team.

World Bank To Provide $30 Million Export Guarantee Loan

LD0408132395 Moscow INTERFAX in English 1521 GMT 3 Aug 95

[FBIS Transcribed Text] CHISINAU, Aug 3 (FIA-INTERFAX) — The World Bank will give Moldova an export guarantee facility loan worth $30 million.

A representative of the Moldovan Finance Ministry told the Financial Information Agency, a division of INTERFAX, today that under the agreement ratified by the Moldovan parliament on July 29, the loan would be given for 10 years with a nine-year delay in repayment under a 7.5 percent annual interest rate.

The deal provides for creating in Moldova an agency which will secure foreign creditors against "political risk." The same source said the term "political risk" applied to the situations when a Moldova enterprise-borrower fails to repay the credit because of intervention by the country's government. Borrowers will pay the agency 3 percent of the total amount of the credit for pertinent guarantees.

State Deficit Reaches $38 Million in First Half of 1995

AU0408212695 Chisinau INFOTAG in English 1831 GMT 3 Aug 95

[FBIS Transcribed Text] Chisinau INFOTAG, 3/8/1995 — In the first half of 1995 the Moldovan state budget deficit amounted to 171,4 million lei ($38 million,) communicated the vice minister of finance, Lidia Gutu.

She said that as for the 1st of July state budget receivables amounted to 380 million lei, of which 112 million are due to local budgets.

Lidia Gutu pointed out the signs of economic recovery : firm local currency, downturn in refinancing rate of central bank (from 42 percent in the beginning of the year to 23 percent in June,) drop in the monthly average inflation rate — 1.2 percent in 1995 as compared to 8.3 times in 1994. [all figures as received]

Snegur Sets Up Public Fund for Investment, Development

AU0408213195 Chisinau INFOTAG in English 1831 GMT 3 Aug 95

[FBIS Transcribed Text] Chisinau INFOTAG, 3/8/1995 — The president of Moldova, Mircea Snegur, signed a decree establishing the Public Fund for Investment and Development.

This measure is designed to support the state program of reforms, democracy, scientific development, education, and culture, the introduction of new technologies, the creation of new jobs, and the attraction of foreign investment.

The president approved of the board of observers, headed by the vice president of Academy of Sciences, Sergiu Radautan. The National Bank of Moldova and the World Bank take seats in the board.

The fund plans to accumulate its capital through foreign investment. The fund intends to participate in foundation of the Commercial Joint-Stock Bank for Investment and Development.

Russians To Use New Ammunition-Destroying Apparatus

AU0408212395 Chisinau BASAPRESS in English 2037 GMT 3 Aug 95

[FBIS Transcribed Text] Tiraspol BASAPRESS 3/8/1995 — The Russian troops stationed in the Dniester region could accelerate the liquidation of outdated and non-transportable ammunition from the 14th Army depositories. Russian military sources told BASA that after the trial detonation of last week, military experts stated the possibility of enlarging the volume of daily detonated ammunitions without any ecological harm.

The volume can be enlarged up to 300 kg of ammunitions. Two special installations meant to neutralize ammunitions are to be brought to Dniester, though no data on their capacity is available yet. The installations will extract trotyl from old mines so that no liquidation by explosion will be further needed. Moreover, a technological line of ammunition neutralization is expected to be installed at one of the Rabnita enterprises, but this question is dealt with by the Russian military officials only, the same sources inform.

Several days ago the commander of the Russian troops in the Dniester region, Valeriy Yevnevich, was granted the rank of lieutenant general.

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Tiraspol Speaker Wants To Follow Russian-Tatarstan Model

AU0408212595 Chisinau INFOTAG in English 1831 GMT 3 Aug 95

[FBIS Transcribed Text] Tiraspol INFOTAG, 3/8/1995 — Relations between Moldova and the Dniester region should be that of equals, stated Grigoriy Marakutsa, the chairman of Dniester Parliament.

According to him, Tiraspol holds the recognition of Dniester's statehood as a cornerstone of the Dniester conflict settlement. He believes that Moldova and the Dniester region should model their relationship after Russia and Tatarstan. It would be the best solution. A year and a half ago Chisinau practically gave green light to Dniester statehood by signing an agreement on the Dniester state and legal status. Since then we made no progress. Recent meetings with Moldovan representatives revealed that Chisinau is not ready to recognize Dniester's statehood, noted Marakutsa.

He urged the Moldovan leadership to take the Dniester case seriously. In order to resolve the Dniester conflict Chisinau has to dismiss the idea of integral Moldova and attempts to induce Tiraspol into local self-governing, said Marakutsa.

Opposition Rejects Cooperation With PRC

AU0508164495 Chisinau BASAPRESS in English 1930 GMT 4 Aug 95

[FBIS Transcribed Text] Chisinau BASAPRESS, 4/8/1995 — Leaders of the Democratic Forces Alliance (AFD) reject the possibility of any cooperation with the Party of Rebirth and Conciliation (PRC), while representatives of the Christian Democratic People's Front (FPCD) noted the PRC's intentions to create a bloc of all forces that support the president.

"The leadership of Snegur's party has a team which cannot be relied upon," Valeriu Matei, head of the United Democratic Congress and leader of the AFD, told MESAGERUL newspaper. This "team is led by Andronic, he himself acting as against the opposition so against our spiritual values," Matei stated. According to the same source, the PRC leadership "is of the same caliber as the people around Andrei Sangheli and we cannot deal with them." At the last AFD session Matei specified that "all leaders of the parties from the Electoral Bloc AFD unanimously voted for the necessity of keeping and transforming this bloc into a permanent political alliance." He is sure that no one will leave this formation.

On the other hand, columnist Petru Bogatu stated today in the publication TARA that the probable explanation of the AFD decision might be "the natural wish to counteract the attempts of the new presidential party to take under its control that segment of the political spectrum which is now held by the AFD. In the meantime we can hear some rumours that the PRC intends to initiate a Bloc of Rebirth which would include all the formations ready to support President Snegur." The columnist mentioned that the left wing also had talks regarding the creation of another coalition. "The forces which provoked the present political fight try to hide the fact that after the curtain of euphemism the situation heads toward an extremely dangerous political hostility," Bogatu stated, declaring that "not in vain did the Security Ministry's release regarding the probability of a coup d'etat stupefy in a way the foreign embassies in Chisinau."

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Kazakhstan

Talks Held With Ukraine on Defense Cooperation

LD0508125395 Almaty Kazakh Television First Program Network in Russian 1400 GMT 4 Aug 95

[FBIS Translated Excerpt] Ukrainian Deputy Foreign Minister (Konstantin Grishchenko) is in Almaty on a working visit. His first meeting was with our republic's defense minister, Saghadat Nurmaghambetov.

[Unidentified correspondent] The topic of the meeting was cooperation between the armed forces of Ukraine and Kazakhstan.

Saghadat Nurmaghambetov singled out several priority areas: our republic's Defense Ministry is interested in training its personnel in Ukraine, exchanging teaching manuals and training methods; it is not ruled out that in the near future Kazakh military equipment will be repaired at Ukrainian plants.

Ukrainian Deputy Foreign Minister (Konstantin Grishchenko) spoke about the talks held in Moscow on the division of the Black Sea Fleet, and expressed an aspiration for closer cooperation in the military sphere.

Matters relating to the forthcoming official visit to Kazakhstan by Ukrainian President Leonid Kuchma were also discussed in the course of the conversation. [passage omitted] The same day the Ukrainian diplomat met our country's foreign minister, Qasymzhomart Toqayev. They had a detailed discussion on bilateral relations between Kazakhstan and Ukraine during the conversation. The progress of implementation of agreements which the two states have signed was reviewed.

They also exchanged views on the problems of international security and the disarmament matters.

Summing up the visit, Ukrainian Deputy Foreign Minister (Konstantin Grishchenko) and Kazakh Deputy Foreign Minister (Vladimir Alesin) signed a protocol on cooperation in exchanging information between the foreign ministries of Kazakhstan and Ukraine. Afterwards there was a press conference for journalists.

(Konstantin Grishchenko) was accompanied by the Ukrainian ambassador extraordinary and plenipotentiary, Viktor Bohatyr.

Anti-Nuclear March Begins to Chinese Border

LD0608144795 Moscow 2x2 Television in Russian 1354 GMT 6 Aug 95

[FBIS Translated Text] About 200 activists campaigning against nuclear weapons gathered in the center of Kazakhstan's capital Almaty today. From there they set out on their two-day peace march, timed to coincide with the 50th anniversary of the bombing of Hiroshima. Participants in the march, who are also protesting Chinese and French nuclear tests, will head for the Chinese border where a protest rally will be held.

Foreign Capital Inflow Analyzed

LD0608092895 Almaty AZIYA-EZH in Russian no. 2 Jul 95 p 2

[Unattributed article: "The attraction of foreign capital to Kazakhstan: Sources, volumes and conditions"]

[FBIS Translated Excerpt] The attraction of foreign capital to the economy of Kazakhstan is currently being implemented in the following forms:

— official development aid;
— credits for investment projects and for the purchase of goods;
— direct foreign investments.

Official development aid is granted by international financial and economic organizations and foreign countries in the form of:

— financial aid;
— technical assistance.

A total of $1,011.41 billion of financial aid have been attracted to the republic in the last five years. By 1 January 1995, $644.12 million had been made use of.

By 1 January 1995, the total volume of technical assistance provided to Kazakhstan in the form of grants (on a gratis basis) amounted to $188.24 million. Implementation of technical assistance projects worth about $40 million has been completed. Technical assistance in the form of a World Bank loan totalled $38 million, of which $11.61 million has been used.

According to data presented by ministries and departments on the orders of the republic's Cabinet, by the beginning of this year credit resources worth a total of $1,530 billion was attracted to the republic, of which $1,049 billion was used.

According to data on registering enterprises involving foreign participation, by the beginning of this year 2,025 joint ventures and foreign enterprises (including 470 enterprises with a 100 percent foreign capital share) were registered. The volume of foreign investments which had to be made as a contribution to authorized funds amounted to $456 million. However, foreign partners do not always fulfill their commitments on contributions to authorized funds.

By the beginning of May this year, a total of $3,223.65 billion were attracted in accordance with commitments

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on long-term investment: $1,237.65 billion in the form of official development aid; $1,530 billion in credits; and $456 million as contributions to the authorized funds of enterprises with foreign participation.

Foreign investments envisioned by long-term contracts (up to 40 years) amounted to $42,644.10 billion, including those concluded with the Ministry of Oil and Gas and worth $31,870.5 billion. It should be noted that the contracts involving Tengizchevroil, Kazturkmunay, Kazpromstabva, and other joint ventures were signed for a period of 15-40 years, and the volumes of foreign investments announced therein are still to come.

By the beginning of May this year, a total of $45,470.75 billion was attracted to the republic. However, according to experts, this sum should be seen as a long-term forecast, because the real volumes of foreign investments will be defined on the basis of the annual budgets of the companies, and will depend on many factors.

Attraction and Use of Financial Aid From Donor Countries

[passage omitted] By 1 January 1995, Kazakhstan was granted official financial aid by the following countries:

Austria: The governments of the Republic of Kazakhstan and the Republic of Austria signed an agreement on 16 December 1994 on a loan worth $5 million for a period of 15 years, including a five-year preferential period, with an interest rate of 7.5 percent.

Belgium: With the aim of maintaining the balance of payments, on 1 April 1994 Belgium allocated free financial aid worth $5 million, which was transferred to the budget.

Germany: The total sum of financial aid granted to the Republic of Kazakhstan by the Federal Government of Germany in 1993-94 amounted to 55 million German marks [DM], including for the implementation of development programs:

— railways: DM9 million;
— the textile industry: DM5 million;
— construction material production: DM37 million;
— a credit line from the Wiedergeburt Bank: DM2 million;
— free aid (the elaboration of feasibility studies on projects): DM2 million.

The financial aid is granted as a loan for 30 years, including a ten-year preferential period, with an interest rate of 2 percent.

Sweden: An agreement on a loan worth $3 million was signed on 21 December 1994 with the Swedish Credit Corporation. It was to be the monetary part of a rehabilitation loan by the International Bank for Reconstruction and Development. The loan is granted for 11 years, including a ten-year preferential period, with an interest rate of 8 percent.

Japan: On 7 April, during the visit by Kazakhstan's President Nursultan Nazarbayev to Japan, two agreements on two Export and Import Bank of Japan loans worth $145 million $75 million were signed. The $145 million loan was granted for 11 years, including a five-year preferential period, with an interest rate of 4.75 percent. After the Ministry of Finance converts it into the national currency at the National Bank, the loan will go into the budget. So far two tranches of it, worth a total of $87 million, have been received.

The $75 milliion loan is given for 17 years, including a five-year preferential period, with an interest rate of 7.5 percent. After talks with the Export and Import Bank of Japan in January 1995, it was agreed to reformulate the loan in hard currency terms (initially it was intended for funding vital imports). The tenge equivalent of these loan funds will also be counted as part of the budget revenue.

In addition to the above-mentioned loans, the Japanese Government stated its intention to allocate preferential credits in yen through Japan's Overseas Economic Cooperation Fund (OECF) for the implementation of the following projects:

— reconstruction of the "Druzhba" railroad, with a sum equal to $68 million;
— gas refining at the Ekibastuz hydroelectric power station, with a sum equal to $54 million.

Technical Assistance From Donor-Countries

[passage omitted] Technical assistance has been provided by the following countries:

The United States: Aid from the U.S. Agency for International Development (USAID) and other organizations amounted to $89.7 million.

The largest projects are: health-care service program — 6 million; delivery of medicines and foodstuffs to ecological disaster areas (project "Nadezhda") — $35.6 million; the "Foodstuffs for Progress" program — $27.6 million.

Japan: Aid from the Japanese International Cooperation Agency (JICA) amounted to $17.13 million.

Germany: Technical assistance worth $12.5 million was provided.

Great Britain: Aid is being provided through the British Know-How Fund. Its volume is $5.5 million.

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France: The volume of aid granted totalled to $2.99 million. France has granted 5 million French francs to help solve the problems of the Aral Sea. Funding for projects of technical assistance in privatization has been approved: a total of 18.8 million French francs [Fr] is to be granted, out of which Fr5 million is for the Tagam state joint stock company, and Fr7 million is for conducting seminars, training in France, and scientific cooperation.

Canada: The aid volume is valued at $6.36 million.

South Korea: The aid volume is valued at $340,000.

The total volume of technical assistance from donor countries is valued at $134.65 million. Projects worth $87.6 million have been completed. [passage omitted]

Attraction of Foreign Investments to the Republic of Kazakhstan in 1991-1993 (in millions of dollars)

Types of	Volume	Of which used investment
OFFICIAL DEVELOPMENT	1,237.65	695.73 AID, including:
financial aid	1,011.41	644.12
government loans	389.41	270
National Bank funded	622	374.12 of which
loans	617	369.12 and
grants	5	5
technical assistance	226.24	51.61 of which
loans	38	11.61 and
grants	188.24	40
CREDITS		
(under state guarantees)	1,530	1,049
DIRECT INVESTMENTS	42,644.1	1,867 including:
foreign investments as a contribution to authorized fund;	456	456
contracts, projects (including bonuses, royalties, licenses)	42,188.1 including:	
Ministry of Oil and Gas	31,870.5	1,032
Ministry of Geology	1,084	379
Ministry of Industry and Trade	379	
Total:	45,470.75	3,611.73

Nazarbayev Says Grain Harvest Average or Less

LD0608085495 Almaty Kazakh Television First Program Network in Russian 1400 GMT 5 Aug 95

[FBIS Translated Excerpt] President Nursultan Nazarbayev has ended his working visit to the East Kazakhstan and Kokchetau regions. Our special correspondent Erlan Bekkhozhin reports:

[Bekkhozhin] As we know, there is a simple definition for economics: the competent use of the resources the country possesses - natural, technical, and human. One of the main purposes of the president's trip was see how competently it is being used in these regions.

Nursultan Nazarbayev's first stop in Kokchetau Region was the Obukhovo titanium and zirconium plant. Construction of the plant's first phase started in 1992 and was funded out of the Kazakh economic transforma-

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tions fund and commercial credits from Turanbank. An opening ceremony has been held for the finishing shop, which will enable a production line for collected concentrate with a capacity of 50,000 tonnes a year to be put fully into operation. The main products are ilmenite, rutile, and the zirconium which is so indispensable for the republic's industry.

This is the first production plant of its kind in Kazakhstan. Previously our enterprises had to buy the necessary raw materials from Ukraine and Canada. Now there are applications coming in, not just from Kazakhstan but also from Russian enterprises. The plant's potential revenues are fairly high: about $2.5 million a year. It will pay for itself in just two years. However, more investments are needed so that the plant can work at full capacity with a volume of 500,000 tonnes of raw materials a year. Output quality is no inferior to similar products on the world market, while the prices are slightly lower than world prices.

This is one model for the future development of a region which used to be oriented only toward grain production. It may well become the basis for the development of the ore-mining and ore-processing industries, since 60 percent of the elements in the periodic table are to be found in Kokchetau Region. [passage omitted]

The president visited East Kazakhstan's grain fields.

[Begin recording] [Unidentified interviewer] I can see that when you looked at these grain fields you became cheerful.

[Nazarbayev] There is grain as far as the horizon, the people's bread, the bread of the people of Kazakhstan. If the people have bread and are full, we will overcome all other problems. That is why one should always pay great attention to agriculture in Kazakhstan, and to our main wealth: grain production.

This year the situation is not entirely smooth. Things are currently difficult in West Kazakhstan, where the grain harvest has started. In south we did not get what we were expecting; it was not entirely bad, but it was less than we expected.

We think we will have an average grain harvest in the republic this year. Well, the average can vary. We have calculated 22 to 25 million tonnes as being the average. Maybe it will be a little less, but the people will have bread. And the North Kazakhstan, Kokchetau, Akmola, Turgay, East Kazakhstan, and Semipalatinsk regions have good potentials for growing a good grain harvest. It must be harvested on time. We are now looking at the preparations for the harvest, as usual from reports from the farm heads.

The attitude to reform and to ownership in rural areas, and people's mentality, are changing. Rural people are becoming property owners. They are beginning to realize that they have to live by their own resources; they have to survive. A great deal of attention is being paid to the problems of the costs and sale prices of agricultural products, and processing and storing them. So this makes me happy.

The second thing, of course, is to talk to the people on the spot and find out their attitude to the new draft constitution. I personally consider that this constitution will be a constitution for the stabilization of our society, a constitution for friendship between peoples, a constitution of inter-ethnic accord, a constitution of equal rights for all people, a constitution for our reforms, a constitution which will impose discipline and wage an effective war on crime in the country, and a constitution which will consolidate authority.

Authority is needed to develop democracy. Authority is needed to improve people's lives. From what is being said by our friends, citizens on all the farms and in all districts, the leaders, and ordinary people, I sense that the attitude to the constitution is a good and positive one, just as it should be, because the basic law is made for the people above all, and the people must pass it. [end recording] [passage omitted]

Complaints of 'Deep Crisis' in Farming Industry

LD0608100095 Almaty KAZAKHSTANSKAYA PRAVDA in Russian 3 Aug 95 pp1-2

[FBIS Translated Excerpt] Like other sectors of the national economy, agriculture is going through a difficult period. Instability of production and economic ties, price disparity, inflation, the rise in the cost of credit resources, the budget deficit, cuts in state financing, a decrease in the buying capacity of the population, the increase in nonpayments between enterprises, the uncompetitiveness of Kazakh agricultural output and raw materials on the world market, as well as other factors, have led to a fall in output and the deterioration of the financial condition for farmers of all forms of property ownership.

By 1 July this year, agricultural enterprises were owed 3.3 billion tenge, and they themselves owed more than 25 billion tenge to suppliers for material and technical resources received and services rendered, as well as 6 billion tenge in wages to agricultural workers. Moreover, agricultural workers' wages are the lowest in the productive and nonproductive sectors.

The agricultural credit system has practically broken down. Thus, given a need for 23 billion tenge in credits

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for spring agricultural activities, 1.1 billion tenge were in fact received. Farmers are forced to undermine the foundations of their own work through wasteful barter transactions. Due to this, the cattle stock has fallen considerably by 23 percent, sheep and goats by 37 percent, pigs by 46 percent, horses by 18 percent, and poultry by 44 percent.

These lines come from the statement adopted by the delegates of the second congress of the Peasants' Union of Kazakhstan, held on 27-28 July. The document was addressed to President Nursultan Nazarbayev, who in turn sent greetings to the congress participants and wished them success in their work and "in elaborating fruitful decisions for strengthening the agrarian sector."

In his speech at the congress on the condition of the republic's agro-industrial sector, Peasants' Union Chairman K. Zhanatov said that the crisis has emerged primarily because a transformation is taking place in the countryside's social and economic life, while production relations are undergoing radical changes — 1,489 state farms have been privatized, or 70 percent of the total, and other agricultural enterprises and collective farms are being reformed. More than 28,000 farms under nonstate forms of ownership have been created on this basis. Reassuring factors have emerged. From 68 to 79 percent of all livestock and poultry are at present being reared in the private sector, including private house plots. In 1994, 65 percent of the total volume of grain was produced there, as well as 81 percent of meat and eggs, 86 percent of milk, 79 percent of wool, 89 percent of potatoes, and 78 percent of vegetables.

Unfortunately, however, mass ownership has not led to deep changes in the style and methods of management. It is considerably more complicated to become a real owner than it is to complete the legal paperwork. The path will be long and painful. The quicker we can pass along it, the more we can halt the fall in production and stabilize it.

The main factor undermining the roots of the peasantry is unfair pricing principles. Liberalized prices for the industrial goods used in agriculture have grown 9,600-fold during the reforms, but the prices for farm output, regulated by the state and regional administrations, rose only 1,500-fold. The difference, as we see, is more than six-fold. How can farms be profit-making and their goods competitive under these circumstances? It was no accident that in 1994 agriculture incurred losses of 4.7 billion tenge. [passage omitted]

Zhanatov's report gave a convincing example of how mismanagement and incompetence prevents efforts being concentrated in any major direction. K. Zhanatov told the congress that the Almaty cotton factory is working at less than a third of its capacity, although the South-Kazakhstan Region raw cotton organization — currently it is the "Ozat" joint-stock company — produces enough raw cotton to keep three such factories busy. However, cotton-growers prefer to sell their output for export, obtaining returns of 82,000 tenge for one tonne of cotton fiber. If this tonne of cotton were processed in the republic, we would get 168,800 tenge by selling yarn, 316,800 tenge for selling cloth, and 453,000 tenge for selling ready-made garments. The obvious conclusion spring to mind: it is economically profitable to move to complex from primary processing, while cooperating with agro-industrial enterprises and other departments. [passage omitted]

Participants spoke agitatedly about the deep crisis in the republic's agro-industrial sector, the impoverishment of enterprises of all kinds of property ownership, the material and technical destruction of cultural and communal facilities, and the difficult material situation of rural inhabitants. The following figures were mentioned: In 1994 the average monthly wage was 1,844 tenge in agriculture, while in industry it was 6,809 tenge — more than 3.7 times higher. In the building sector it was 3.3 times higher, and in transport more than 3.1 times higher. The rural representatives asked what the peasants have done to the government and people of Kazakhstan to deserve this? [passage omitted]

Kyrgyzstan

Germany Grants DM3.5 Million for Public Health Sector

LD0708084695 Moscow ITAR-TASS in English 0832 GMT 7 Aug 95

[FBIS Transcribed Text] BISHKEK August 7 (ITAR-TASS) — A press release by the Kyrgyz Public Health Ministry issued on Monday says that Germany appropriated a 3.5-million-mark [DM] grant to the republic. This money will be used to equip rural medical posts to purchase medicines and instrumentation. The ministry has already drafted a list of 83 posts which, in the opinion of the German and Kyrgyz sides, are in the most deplorable position and which need immediate aid.

Republican public health is now living through a difficult period of switching over to paid medical service. According to the cabinet head, over 80 per cent of the country's budget is spent for medicine and social programmes.

Nevertheless, Kyrgyz hospitals experience a shortage of the most necessary medicines, surgical threads and diagnostic instrumentation. Medics do not receive salaries for month.

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Uzbekistan Cuts Gas Supplies to Osh for 4 Days

LD0708100195 Bishkek SLOVO KYRGYZSTANA in Russian 5 Aug 95 p 4

[FBIS Translated Text] There has been no natural gas supply in Osh for four days and nights. The city owes 23 million soms to Uzbek suppliers, and our Uzbek neighbors have turned off the tap, despite the seemingly favorable recent trilateral talks with our Deputy Prime Minister Aleksandr Moiseyev.

Having no gas is only half of the problem. The obedient, long-suffering Oshtonians would have turned to their electric stoves, but there is no electricity either. Four days and nights. Whole districts have had their electricity supplies cut off because of nonpayment. This experiment, conducted by the district power station, began in the textile industry district, with the aim of gauging the reaction if first of all two or three substations are cut off. If they do not start paying up, others will be cut off. As a result, the most working-class district of the town is in darkness. There is nothing to cook with — axes and saws are being used. Many people (calculated in hundreds, thousands of families) have no money and do not expect to see any as the Osh cotton and paper plant is standing idle.

Tenants owe the housing and municipal department of the Osh cotton and paper plant a frightening 1.9 million soms, and state-budget-funded organizations — schools and medical establishments — owe 1.5 million soms. Thank God that they have not yet cut off electricity to the regional children's hospital, although who knows what might happen tomorrow.

On the whole, this municipal experiment has been supremely successful. As I write these lines, the inhabitants of my apartment block are planning to go out and kick some heads in — whose, I wonder?

Economic Performance in Jan-Jun 'Not Reassuring'

LD0608122395 Bishkek ERKIN TOO/SVOBODNYYE GORY in Russian 5 Aug 95 p1

[FBIS Translated Text] A regular meeting of the government has been devoted to the economy's performance in the first half-year, and measures to stabilize it.

Minister of Economy Talaybek Koychumanov made a report on the state of the economy. He noted that the results for the first half-year are not reassuring: GDP fell by 8.9 percent on the same period of last year; there was a rise in unemployment; real incomes of the population amounted to 23 percent of the 1991 level. The instability in the development of the macro-economy is disturbing: having made the breakthrough, it does not have enough strength to consolidate its position, and is again in decline. Prime Minister Apas Dzhumagulov wondered why the economic forecast has not come true, and what reserves and resources there are to overcome these deviations from course by the end of the year. If conditions are unfavorable, the budget deficit will probably reach 2 billion soms by the end of the year. In the republic, 40 percent of enterprises are unprofitable. It is time to implement the Law on Bankruptcy, as a precedent at least is needed. However, fear of the social consequences of such a step is still strong.

In general, Koychumanov stressed, forecasts cannot implement themselves, but require organizational efforts by all ministries. Budget revenues should be consolidated, and control over expenditure strengthened. Budget revenues should be increased by up to 330-350 million soms. This is feasible if order is established, and if the smuggling into the country of cigarettes and other goods bypassing customs duties and excise tax is stopped.

[Acting Finance Minister] Kemelbek Nanayev reported on the republic's financial situation. [Trade and Industry Minister] Andrey Iordan reported on the work of the Ministry of Industry and Entrepreneurship. Other ministers and enterprise and department chiefs also gave accounts of their work in the first half-year.

The presidium, led by Apas Dzhumagulov and his deputies, noted the key points of the reports. Summing up the meeting, Apas Dzhumagulov spoke of certain measures which will be taken soon. "We should put things in order, and not forget that we will be made strictly answerable."

Communist MP Says Public Support Increasing

LD0608172895 Bishkek SLOVO KYRGYZSTANA (V KONTSE NEDELI) in Russian 5 Aug 95 p 6

["Our Weapons Are Not Cobblestones But Ideas"]

[FBIS Translated Excerpt] As has been already reported, the 30th session of the Union of Communist Parties-Communist Party of the Soviet Union took place in Moscow recently. A delegation from Kyrgyzstan's Communist Party also took part. The delegation head, Absamat Masaliyev, a committee chairman in the Assembly of People's Representatives of the Supreme Council, shares his impressions on the session. [passage omitted]

[Masaliyev] There is just one aim: To restore the USSR, the union of fraternal peoples, naturally on a qualitatively new basis. A key factor in this is a complete revival of the CPSU, whose work will enable

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a rapprochement to take place between these peoples. [passage omitted]

In Tajikistan the communists have even managed to preserve all the old structures — the district and town committees. The party ranks are being consolidated in Kazakhstan and Uzbekistan. Incidentally, it has to be stated with regret that Kyrgyzstan is the only republic that has not just lifted the anti-constitutional ban on the Communist Party's activity, which the Supreme Council imposed in the dramatic days of August 1991. In order for us to function officially, our party had to register with the Justice Ministry under a new name at one point.

We are not in favor of any kind of ideological confrontation. We are in favor of honest and equal competition, and of elections held on a truly democratic basis. If the communists or any other party becomes the ruling party as a result of such elections, that will be the will of the people. This will stands above any of the ambitions and intrigues of politicians. Askar Akayev should move boldly toward such elections. What has he to fear if he is sure that the public supports his policies and reforms? It is the collection of signatures to extend the president's term in office and the conduct of any kind of referendum on this issue that are antidemocratic.

[Correspondent] How do you rate the potential of Kyrgyzstan's Communist Party compared with your comrades' organizations in other republics of the former USSR?"

[Masaliyev] Initially it was energetic, a certain decline followed, and currently it is picking up. Our work is badly hampered by material problems: The lack of premises, telephones, and a printing press. Communists often face concealed or overt opposition from the local authorities. Nevertheless, we can see that the working masses' trust and faith in our party is increasing everywhere.

Communists have acted and continued to act against the unchecked introduction of capitalism in society, untrammeled pri-grab-ization (prikhvatizatsiya — play on words], the unjust enrichment of some at the expense of others, and against nationalism; and in favor of the state's responsibility to the people, true democracy, the revival and consolidation of social security institutions, and the creation of equal conditions for everybody to realize their potentials. [passage omitted]

Tajikistan

UN Envoy Prepares for Inter-Tajik Talks

LD0308180295 Moscow ITAR-TASS in English 1649 GMT 3 Aug 95

[FBIS Transcribed Text] DUSHANBE, August 3 (ITAR-TASS) — United Nations Secretary-General's special envoy Ramiro Piriz Ballon and Tajik President Emomali Rakhmanov met on Thursday [3 August] behind closed doors to discuss preparations for the 5th round of inter-Tajik talks. The time and place of the next round are not yet known.

Ballon told reporters without elaborating that he positively assessed the eagerness of the Tajik government to solve all problems through peaceful dialogue.

He stressed that the peace processss in Tajikistan was under personal control of U.N. Secretary-General Butrus Butrus-Ghali who was ready to do everything in his power to normalise the situation as soon as possible.

Ballon is due to cross the border into Afghanistan on Friday to meet opposition leaders for consultations on the preparation for the 5th round of talks.

He said joint efforts might allow them to reach the desired result as soon as possible.

So far, no information is available about the concrete results of Ballon's consultations in Dushanbe. "The Tajik leader reiterated that Dushanbe's position would not change," a well-informed source told TASS.

Earlier, Rakhmanov had proposed the Turkmen capital Ashgabat as the place of talks, which was rejected by the opposition who had chosen Tehran.

Ballon is expected to present a U.N. proposal for the negotiators to meet in a European capital. It is not a matter of principle for Russia — where the talks will be taking place.

Experts do not rule out that in case the bilateral consultations bear fruits, the place and date of the 5th round of talks might be announced before Ballon ends his tour of the region which is likely to last till the middle of next week.

President Declares 'Merciless War' on Criminals

LD0608083295 Dushanbe Radio Tajikistan Network in Russian 0400 GMT 4 Aug 95

[FBIS Translated Text] [Emomali Rakhmanov] The president of the Republic of Tajikistan expressed his extreme anxiety about the emerging criminal situation in the republic, especially about such harsh and grave

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crimes as terrorism, hostage-taking, and contract murder.

At an extraordinary meeting of the government presidium and the Supreme Assembly yesterday evening, the Tajik leader sharply criticized the activities of the power ministries and demanded that their leaders put an end to lawlessness and take the most decisive measures to uncover all the facts about crimes. He noted that otherwise some [officials] will have to be dismissed from their posts.

The reason for this serious conversation was the assassination of Aynullo Nematov, people's deputy and head of the Supreme Assembly apparatus, in the evening of 1 August. It was reported that he was shot dead at point-blank range with a sub-machine gun in his official car in one of the residential areas of Dushanbe. However, the murderer managed to escape, and the search for him has not yet yielded results. As Emomali Rakhmanov said, this was not the only attempt on the life of people's deputies. In recent months, three people's deputies died at the hands of bandits, and another was seriously wounded.

However, the fate of another, (Akobir Odinayev), first deputy head of Khatlon region administration, who was taken hostage by unidentified armed people at the end of June, is still not clear. At the same time, none of these crimes have been properly investigated. According to the president of the country, this demonstrates the low level of competence among law enforcement agencies and deliberate delays in the investigation process.

The head of state emphasized that the government declared a merciless war against criminals and their protectors, whatever their positions.

An ITAR-TASS correspondent discovered from the informed sources that a state commission was organized at the joint meeting on the proposal of the president of Tajikistan, under the leadership of First Deputy Prime Minister Mahmadsaid Ubaydulloyev, to monitor the activities of law enforcement agencies. The commission was given the widest powers. Once again, the need to continue performance reviews of the work of power structure employees until the end of August was emphasized.

Defense Minister on Current Army Issues

MM0708101195 Moscow ROSSIYSKAYA GAZETA in Russian 4 Aug 95 pp 9,11

[Article by Defense Minister Sherali Khayrulayev: "We Can Stand Up for Ourselves. National Army Prepares To Take on Tasks of State Defense" — from the "Departmental Supplement" section; last paragraph is editorial note]

[FBIS Translated Text] The republic's armed forces are a fairly critical subject in our country. There are often arguments about them. And some people are even trying to prove that Tajikistan does not have its own army.. To which my usual response is: "My son is studying at the St. Petersburg High Command School." The argument generally works. What parent does not want their children to have a future?

However, the complaints about the Army are also justified. Back in 1993 a plan for the stage-by-stage development of republic armed forces was ratified — these being forces which would, in terms of force composition, numerical strength, and arsenal, be able to perform their tasks of state defense. Plenty of time seems to have elapsed since then, but the Army is not being developed as fast or as qualitatively as we would like.

There are plenty of reasons for that, namely the civil war, the unstable situation in the region, lack of money.... Although the situation has improved of late. Both the republic's government and President Emomali Rakhmanov personally, who, under the Constitution, is the Armed Forces' supreme commander in chief, are making the formation of the Army a top priority. And the resolution of its problems is not being put off till tomorrow.

The Army comprises ground forces, air forces, and air defense forces. At the moment two motorized rifle brigades, a special-purpose brigade and detachment, and a combined air squadron have been formed. There is a set of operational, technical, and rear support units and subunits.

But material and technical support is the Achilles' heel of the Tajik Armed Forces. All aspects of this are a problem, ranging from the units' bases to their arms. These problems have gradually begun to be tackled. A great deal has already been done with regard to safeguarding and organizing personnel's daily lives. You know that a poorly clothed, hungry soldier is no fighter. The equipment and weapons situation has improved. The resolution of other questions has gotten started.

Russia is providing us with a great deal of support and assistance in this. My recent meetings with Vice Premier Aleksey Bolshakov; Mikhail Kolesnikov, chief of the Russian Armed Forces General Staff, and State Duma and Federation Council members once again showed that our problems meet with understanding and support in Moscow.

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Thanks to close cooperation with Russia another equally complex problem that many Commonwealth national armies have encountered, namely command cadres, is receding into the background. Now the Tajik Armed Forces have around 70 percent of their required command personnel. Admittedly, officers are generally invited to serve on contract from the CIS countries right now. But our own military cadres are being trained.

There is an accord with Russia for officers to be trained at Russia's military educational establishments and military academies. There are now around 400 young men studying there. Another 250 or so are going to enter military establishments this year. What is more, a higher military college has also been opened in Tajikistan. The first intake has been selected. Incidentally. three-month courses have been opened at the college for those wanting to become officers. The rank of "junior lieutenant" is awarded on completion of the course.

The things that the country's leadership has done to form the national armed forces have not gone unnoticed by the people. The attitude of young people and their parents toward the Army has been changed because of the order and discipline [now] obtaining in the Army. This year is the first time that we have had no problems with the draft. Fewer and fewer people want to dodge the draft. Even in Gornyy Badakhshan where the opposition believes its influence to be strong the draft plan has been carried out in full.

Mass media reports regarding young Tajiks' reluctance to serve in the Army, servicemen's siding with the opposition, their poor training, and other facts regarding the Army must be ascribed to the Tajik opposition's "ideological campaigning." This information on the whole does not match up to reality.

However, the national armed forces cannot be said to be fully performing their tasks of state defense today. Nonetheless let me point out that their formative period is under way. How long it will last depends in many respects on cooperation with Russia. Over a dozen bilateral agreements of various kinds have now been signed in the sphere of military organizational development. They are dictated by a mutual desire to further develop all-around relations and provide aid in strengthening Tajikistan's defense capability.

They include, for instance, the agreement on Russian citizens' military service in the Tajik Armed Forces and on their status. It envisages that within the republic Russian servicemen and their family members shall enjoy all the rights and freedoms of the republic's citizens. Furthermore, those who have expressed a desire to serve in Tajikistan retain the privileges and advantages prescribed for them in Russia. Russian servicemen are also allowed to buy and exchange homes and apartments in the republic. And Tajikistan gives those who have served at least 10 years here money on their discharge into the reserve to build or buy housing in Russia.

But the general noted sadly that not all the agreements that have been signed are in force. The agreement on the assignment of Russian military advisers and specialists to Tajikistan has been awaiting State Duma ratification for around six months. Yet it is precisely those people which the national army is gravely lacking today. Military advisers and specialists would provide practical aid in organizing combat training and field instruction for troops and staffs, improving the structure of the troops and their command, elaborating operational documents, training national military cadres, and resolving other issues.

Moreover ,there are plenty of people wanting to help Tajikistan with this. The republic was recently visited by representatives of a U.S. delegation, for instance, which mainly comprised representatives of their military departments. During conversations with officials there was a blatant attempt to foist on the republic's leadership their view of military problems and primarily their aid in matters of organizational development and strengthening the armed forces. But the republic's leadership has no intention of changing friends and severing its long-standing ties with Russia.

What is more, mindful of the situation in the republic, it is ready to prepare and sign a new bilateral treaty with Russia on military cooperation and mutual assistance. But that does not mean that Tajikistan is trying to take cover under the protection of Russian bayonets. Our Army will soon be able to stand up for the state.

Our Information

Sherali Khayrulayevich Khayrulayev was born in November 1949; he is a Tajik. He graduated from the Tajikistan State University's Department of Economics. He then served in the internal troops. He was head of the Tajikistan Ministry of Internal Affairs Directorate for Operational Work 1984 through 1988. He was then deputy minister of internal affairs. In April 1995 he was appointed the republic's defense minister. He is married with two children.

Islamic Opposition Reaffirms Identity, Goals

LD0508122295 (Clandestine) Voice of Free Tajikistan in Tajik 0300 GMT 3 Aug 95

[FBIS Translated Excerpt] A large consultative meeting has taken place in Tehran, the capital of the Islamic Republic of Iran, involving the leaders of the Islamic

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Movement of Tajikistan. It was attended by top leaders of the Islamic Movement of Tajikistan, representatives of (?cells) of the Islamic Movement of Tajikistan in the CIS countries and student delegates from Pakistan, Iran, Afghanistan and other Islamic countries.

Farhod Mu'min, our colleague in Tehran, has sent us this report:

[Mu'min] This meeting took place yesterday and involved the leaders of the Islamic Movement of Tajikistan. Its aim, as expressed by the chairman of the meeting, Ibrohim Gadozoda, was to gather top officials of the Islamic Movement of Tajikistan and define future paths for its activity. Professor Sayed Abdullo Nuri, the leader of the Islamic Movement of Tajikistan, and professors Haji Akbar Turajonzoda and Muhammadshrif Himmatzoda participated in the meeting. [passage omitted]

The professor [Nuri] said: At a time when the policy of the Islamic Movement of Tajikistan is becoming accepted by the world community, its enemies are trying to sow the seeds of discord among us. The leadership of the Islamic Movement of Tajikistan understands the situation and politics of the country better than anyone else who claims to love the nation. One must not believe friendly statements from strangers. You must have full trust in the leader and deputy leaders of the Islamic Movement of Tajikistan, and walk faithfully in line with them.

The professor added: Do not be downhearted about the superpowers' failure to support our Islamic movement. You and we have God as our supporter, and as He supports us and we follow Him, all countries, both great and small, will gradually recognize us. This is now becoming apparent. Then Professor Haji Akbar Turajonzoda, the first deputy leader of the Islamic Movement of Tajikistan, said: Our movement is not a national or ethnic one. It is an Islamic movement, and this Islamism alone has been the factor by which we have united and attracted others. Professor Turajonzoda pointed out that the Islamic Movement of Tajikistan has every kind of foundation, including conceptual, scientific, cultural, political, social, economic, educational and other factors. The only factor left outstanding is unity and escaping from tribal limitations; if we bring this to completion, then God willing we will reach our sacred goal.

The first deputy leader of the Islamic Movement of Tajikistan then drew the audience's attention to the need to seek to bring countries in the region closer to us and thus to weaken Russia's influence. Professor Turajonzoda finished by stressing the need to strengthen the activities of the Islamic Movement of Tajikistan among refugees in CIS countries.

Professor Muhammadsharif Himmatzoda, deputy leader of the Islamic Movement of Tajikistan, started his speech to the consultative meeting by explaining clearly that it was not to deceive people that we went into the negotiations. We really want peace, but it must be honorable and dignified peace. We will continue the struggle until we achieve this kind of peace.

Professor Himmatzoda said that the Islamic Movement's constructive policy means that it cannot now be labelled as fundamentalist or any such epithet.

In his view, the greatest achievement of the Islamic Movement of Tajikistan is that it is supported by the people of Tajikistan, both inside and outside the country. In addition, all countries regard the policy of the Islamic Movement of Tajikistan as a wise one.

Professor Himmatzoda said the foundation for victory was the unity of the forces.

In conclusion, it should be noted that the leader and deputy leaders of the Islamic Movement of Tajikistan expressed gratitude to the leadership and organizations of the Islamic Republic of Iran for their assistance to the Islamic Movement of Tajikistan.

Tajik Opposition Leader Interviewed

NC0308115295 Tehran JOMHURI-YE ESLAMI in Persian 24 Jul 95 p 12

["Text" of an interview with Sayed Abdullo Nuri, the leader of Tajikistan's Islamic Movement, by an unidentified correspondent; place and date not given]

[FBIS Translated Excerpt] [JOMHURI-YE ESLAMI] [passage omitted] Tell us about Tajikistan, its people, history, and anything else you deem necessary.

[Nuri] [passage omitted] You know there are very close links between Tajikistan and the Islamic Republic of Iran, from the ethnic, linguistic, and cultural aspects. These links have created extremely close relations, such that Tajikistan is sometimes referred to as little Iran. [passage omitted]

After the Soviet Union disintegrated the communist politicians— assisted by Russian elements—tried to prevent the Muslims from coming to power in Tajikistan. [passage omitted]

In recent years the Islamic Movement of Tajikistan has struggled to defend the rights of the Muslim people of Tajikistan on the various scenes. This struggle has continued and we have never abandoned our peaceful talks and measures to end the crisis. Our strategy now is to do our best to prevent destruction and massacre and to use political methods to solve the crisis.

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[JOMHURI-YE ESLAMI] Your remarks show that events in Tajikistan have harmed the country's Muslim people. In other words, communist efforts have aimed to push the Muslims away from running society and gradually replace the supporters of democracy and freedom with former communists who have now altered their face. Is this correct?

[Nuri] Yes. This is what has been happening in Tajikistan and other parts of the former Soviet Union, even in Russia, since communism collapsed. [passage omitted]

[JOMHURI-YE ESLAMI] So you agree that those who have ruled in Tajikistan during the past few years, specifically Nabiyev and Emomali Rakhmanov, do not belong to the Tajik nation and have come to power with money, propaganda, and the force of the communists.

[Nuri] Yes, I agree, because the world of infidels has concluded that Islam should not be allowed to run society in Tajikistan. The West, the communists in Russia, and the communists in Uzbekistan have played a role in this collective effort. But the people of Tajikistan do not believe in them and do not recognize them.

[JOMHURI-YE ESLAMI] We conclude from your remarks that your position today is different from what it was a year ago. Last year you stated in Tehran that, since Emomali Rakhmanov's rule is not willing to divide power with the opposition and disagrees with the opposition's proposal to form a council comprising the state and the opposition and that since the elections that brought him to power were not attended by 30 percent of the Tajik people, who are refugees, his government is illegitimate and you do not recognize it. That Rakhmanov is the same Rakhmanov you have now embraced without your proposed council having been formed, without the repatriation of those refugees, and without a just solution of the Tajik problem. My question is: What has happened that you now agree to peace with Rakhmanov, after gaining nothing since last year?

[Nuri] Your question is correct. I do not recognize Rakhmanov and do not accept the outcome of the elections that brought him to power. I do not accept his constitution. He is the representative of the opposition and the pact we have signed with him is a pact with the representative of an opposition group, not with the president of Tajikistan.

But we have turned to political solutions during the past year because we are determined to save the Tajik people from destruction. We know the enemy of the Tajik nation wants to cast it into a permanent involvement so that under these conditions it can gradually annihilate the popular and Islamic movement there. We have opened the door of reconciliation to the government so that the Tajik nation can survive and not be annihilated. We do not want this nation to say tomorrow that the Tajik crisis could have been solved through political and peaceful means and you did not do so.

Our objective is to make the world understand that we support peace and observe every international law, while we also want to vindicate the rights of our people. We still consider a solution to the Tajik crisis to lie in the formation of a state council comprising 40 members of the government, 40 members of the opposition, and 20 impartial politicians.

[JOMHURI-YE ESLAMI] You have a humanitarian stance on the Tajikistan crisis. You want peace and stability in Tajikistan. But what guarantee is there that tomorrow Emomali Rakhmanov will not go against his promises to you and to the Tajik Muslims? Have you not said that Rakhman Nabiyev too went against his promises and worked against the people? What guarantees are there that the pact you signed with Rakhmanov will be implemented?

[Nuri] We feel that through persistent contacts with Rakhmanov we can bring our objectives closer. In our meeting in Kabul we regarded each other as rivals and enemies. But today in Tehran we do not feel this. We think this meeting paved the way for understanding so that today we can understand one another much better. We feel that the more security the Tajik people feel, the more we and Rakhmanov will approach understanding. But we think continuing talks and contacts benefit Tajik society. We will not give up our positions. We have told Rakhmanov this and explained to him that Tajikistan's Islamic Movement is an armed movement and can weaken his rule at any moment. There are other groups, such as the (Kulalis), the northerners, the Uzbeks, and others, that oppose Rakhmanov's rule. But the most powerful of all is the Islamic Movement; for the sake of our prestige we are not willing to give up our struggle.

[JOMHURI-YE ESLAMI] You did not answer our question. What guarantees are there that your pact with Rakhmanov will be implemented?

[Nuri] We have asked Rakhmanov to consider a safe-haven for the Tajik refugees and emigrants inside Tajikistan and for 500 Tajik warriors to be deployed there. In addition, our 5,000 mojaheds in northern Afghanistan too should be deployed on the Tajik border under UN supervision to guarantee security.

[JOMHURI-YE ESLAMI] Has Rakhmanov accepted this proposal?

[Nuri] No, he has not.

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[JOMHURI-YE ESLAMI] Then what does the Tehran pact guarantee? Can this pact be considered a victory for the Islamic Movement of Tajikistan or should it be considered a victory for the government?

[Nuri] I have previously stated that if it is a matter of victory, it is the victory of the people. In about three weeks the fifth round of our talks with Rakhmanov's government will be held in Ashgabat, Turkmenistan, and decisions will be made on forming a congress of representatives of all the Tajik strata, which is one of the paragraphs in our agreement with Rakhmanov. This is why I believe this pact is ultimately a type of victory for the entire front of opposition.

[JOMHURI-YE ESLAMI] Did your agreement with Rakhmanov have any other outcome apart from the possible formation of this congress?

[Nuri] The only noteworthy outcome we can mention is that we are hopeful that in the next round of talks with Rakhmanov our stances on a just solution of the Tajikistan crisis will come closer.

[JOMHURI-YE ESLAMI] The truth is that Rakhmanov needs tranquility and stability to contain the opposition and implement his policies. Political analysts agree on this. Do you not think this agreement will create the necessary political and social stability the Tajikistan regime wants? Was this assessment considered when the agreement was being signed? Do you consider this assessment to be close to reality?

[Nuri] Yes. This is a correct assessment. But we are pursuing our own objectives in the talks. We do not deny that they may have specific plans that can be implemented under the aegis of the pact. But we repeat that our only objective in signing this pact is to help tranquility in Tajikistan. We will not lay down our arms. When we feel there is deception and the Tajik Government is trying to exploit this pact, we will return to our combat positions.

[JOMHURI-YE ESLAMI] You signed the pact with Rakhmanov as "the leader of the opposition." Apart from the Islamic Movement, did you represent any other groups in the Tehran talks?

[Nuri] Yes, the Democratic Party of Tajikistan, the Center for the Coordination of the Democratic Forces, the Naser Khosrow Organization, and part of the Popular Resurrection Organization are among the groups that oppose Rakhmanov, and we came here representing all of them.

[JOMHURI-YE ESLAMI] There is one opinion that states that because of their bitter experiences in the Afghan civil war, the opponents of the Tajik Government do not want to continue violence. Is this correct?

[Nuri] Again I state that our objective in turning to talks and to political means is solely to prevent bloodshed in Tajikistan. Last year we took about 200 members of the state military forces hostage. Apart from the Russians they were all Muslims. Our intention is to stop the fratricide in Tajikistan. We want to make the world know that we do not want to shed blood, we are not illogical, and we are the true representatives of our people and want the national rights of our people.

[JOMHURI-YE ESLAMI] After the pact you signed with Rakhmanov, is it safe to go to Tajikistan?

[Nuri] No. I still do not feel safe.

[JOMHURI-YE ESLAMI] From which direction do you feel the threat?

[Nuri] From the direction of the groups that have an alliance with Rakhmanov and are hostile toward us.

[JOMHURI-YE ESLAMI] These groups are also in Afghanistan, where you are based. Is there not a threat against you there?

[Nuri] Yes. This threat also exists there. They bomb us often there. In a recent case, eight Russian planes bombed an area 300 meters from us in northern Afghanistan and at least 200 were martyred.

[JOMHURI-YE ESLAMI] What is the size of the Russian force in Tajikistan?

[Nuri] About 28,000.

[JOMHURI-YE ESLAMI] Does this group play a direct role in Tajikistan's security?

[Nuri] Yes. They cooperate with the government.

[JOMHURI-YE ESLAMI] Do they only cooperate or are they the main decisionmakers on Tajik security?

[Nuri] They are decisionmakers. Russian advisers have an active presence in Tajikistan's Defense Ministry and in the military staff and are the major decisionmakers. For example, some time ago, when two members of the Tajik police force were killed by Russian soldiers in Dushanbe, Tajikistan's Interior Minister Salimov came to the area to arrest them and to hand them over to Russia. When the Russian soldiers saw the Tajik interior minister, they turned their weapons on him and warned him to keep away, otherwise he too would be killed. This is a good example that shows how the Russian military are playing the major role in Tajikistan.

[JOMHURI-YE ESLAMI] We sincerely thank you for having answered our questions.

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[Nuri] I thank you.

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Armenia

Natural Gas Agreement Signed With Turkmenistan

NC0508120995 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0708 GMT 5 Aug 95

[FBIS Transcribed Text] Yerevan ("HAYASTANI HANRAPETUTYUN" daily), 08/05/95 — We have already reported that a governmental delegation of Armenia, headed by Minister of Energy Gagik Martirosyan, has left for the Turkmenian capital Ashgabat, to resolve problems related with the supply of natural gas to Armenia.

Tri-lateral negotiations, with participation of the Georgian side, have been held in Ashgabat. As a result, two agreements were signed. First one, signed between Armenia and Turkmenistan, establishes that with Armenia fulfilling payment conditions, Turkmenistan will supply Armenia with 6.5 mln. [million] cu.m. of natural gas per day during the rest of the current year.

The second agreement is tri-lateral, between Armenia, Georgia, and Turkmenistan, and concerns security of the pipe-line.

Security Department Explains Arrests of 'Terrorists'

NC0508121895 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0708 GMT 5 Aug 95

[FBIS Transcribed Text] Yerevan ("AZG" daily), 08/05/95 — Six days later after spreading 2 declarative reports, State Department on National Security [SDNS] made another report explaining the arrests made on 29 July night.

Quoting the arrests of 9 members of a terrorist group and a later arrest of another 5, murder of two policemen during an attempt to search a car, based on existing material evidences and operative materials, SDNS declared that a serious terrorist action was prepared during many months, and with the use of foreign "consultants". Its main goal was establishing of chaos and anarchy in Armenia, and capturing the power.

Terrorists developed a program, according to which Armenia's Defense Minister Vazgen Sargisyan was to become a target on the reelections day 29 July. Considering Vazgen Sargisyan's authority in the army, it was planned that after the terrorist action, by means of propaganda, he was to be exposed as a hero, whereas Minister of Interior Vano Siradeghyan was to be blamed, to confront the Army and Ministry of Interior.

For the same purposes, murder attempts of two famous Army commanders were planned, to extend confrontation. In the general program, terrorist actions against the leaders of the country and famous politicians, and to kill two people arrested in regard with the case of "Dro", considering their well-informedness on certain tropics. Experienced fighters (including an employee of presidential body guards group) and criminals have been recruited for implementation of this program. Several foreign citizens participated in preparation and implementation of the terrorist action. According to the results of preliminary investigation show that the criminal group, an active coordinator and organizer of which were Vahan Hovanisyan, Garnik Isagulyan, Manuel Yeghiazaryan, Ashot Avetisyan and others, has seriously prepared armed withstanding. We can say for sure today that a serious danger to the Republic of Armenia, to security of its people has been averted.

Ministry of National Security reported that multi-sided terrorist program has been completely neutralized, and those guilty will be punished according to the law.

ARFD Official: 'Terrorist' Case Fabricated

NC0508122495 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0708 GMT 5 Aug 95

[FBIS Transcribed Text] Yerevan ("GOLOS ARMENII" daily - PAST), 08/05/95 — A member of Armenian Revolutionary Federation Dashnaktsutyun [ARFD] party board Ruben Hovsepyan spoke on the Radio Liberty on 2 August.

Mr. Hovsepyan said that, unfortunately, the party has not made a corresponding public declaration in time, since the party knew, still before the elections, about the intention of Armenian authorities to use the factor of terrorism against ARFD. He said, terrorist groups were created in various districts of ROA [Republic of Armenia], to organized provocations in the name of ARFD or other oppositional parties, in case results of the elections are not favorable. "Whatever is taking place today is a partial implementation of that scenario", he declared.

Ruben Hovsepyan said that, indeed, terrorist groups may be formed in Armenia today, but Dashnaktsutyun party is in no way related to them. "If Dashnaktsutyun will ever decide to start terrorist activities, it will take responsibility for such actions", he declared.

Mr. Hovsepyan believes that the authorities were stuck in a law dead end in regard with the case of Dro. Arrest of Vahan Hovanisyan was probably required to fabricate such facts.

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Newly Registered Deputies Listed

954F2972A Yerevan RESPUBLIKA ARMENIYA in Russian 26 Jul 95 p 1

[Unattributed report: "Parliament Begins Work Tomorrow"]

[FBIS Translated Text] In accordance with Articles 35, 36, and 39 of the Armenian Republic Law "On the Election of Deputies of the National Assembly" and based on official documents received from district commissions, the Central Electoral Commission for the Election of Deputies to the Republic of Armenia National Assembly has resolved to register as deputies of the Republic of Armenia National Assembly, the following candidates for deputy from sociopolitical organizations and associations, elected in accordance with the proportional electoral principle:

National-Democratic Union [NDS]

David Manukovich Vardanyan, NDS member

National Self-Determination Association [ONS]

Paruyr Arshavirovich Ayrikyan, chairman of the ONS Central Bureau

Aramazd Anushavanovich Zakaryan, vice president of the ONS Central Bureau, ONS member

Nerses Rafaelovich Zeynalvandyan, department head at the Armpromproyekt institute, ONS member

Armenian Communist Party [KPA]

Sergey Grigoryevich Badalyan, first secretary of the KPA Central Committee

Vladimir Sarkisovich Darbinyan, KPA member

Khoren Trchunovich Sarkisyan, metalworker, KPA member

Vazgen Mekhakovich Safaryan, division head at the Armtransstroy trust, KPA member

Gagik Agasiyevich Tadevosyan, deputy chief engineer at the joint-stock company Yerevanstroy, KPA member

Shamiram

Gayane Zhorayevna Sarukhanyan, principal of School No. 55 imeni Chekhov, Shamiram member

Nadezhda Vigenovna Sarkisyan, director of Ayer association, Shamiram member

Anait Dzhimovna Torosyan, director of the agency Levon-Travel, Shamiram member

Amaliya Arshakovna Petrosyan, editorial division chief of Armenian Encyclopedia, Shamiram member

Shoger Grantovna Matevosyan, chairman of the agency Ogostos, Shamiram member

Dzhulyet Surenovna Kazhoyan, department head at the Mshakuyt creative association, Armenian Republic Television, Shamiram member

Anzhela Surenovna Bakuntz, producer, Radio and Television Directorate, Shamiram member

Zarun Robertovna Arevshatyan, division chief, editorial office of the newspaper RESPUBLIKA ARMENIYA, Shamiram member

Republic Association

Yegia Ovsepovich Nadzharyan, senior research associate, Armenian Republic National Academy of Sciences, member of the Social-Democratic Party of Armenia

Fadey Tachatovich Sarkisyan, president of the Armenian Republic National Academy of Sciences, member of the organization Intellectual Armenia

Bagrat Artashasovich Asatryan, chairman of the Armenian Republic Central Bank, member of the AOD [Armenian Pannational Movement]

Rafael Ashotovich Papayan, AOD member

Aram Sayadovich Mkrtchyan, executive director of the Christian Democratic Assistance Fund, member of the Christian-Democratic Union of Armenia

Andranik Naapetovich Markaryan, associate at the scientific production association Yerevan State Engineering Institute, AOD member

Robert Ashotovich Mnatsakanyan, member of the Ramkavar Azatakan Party of Armenia (Liberal Democratic Party of Armenia)

Khachatur Onikovich Bezirdzhyan, director of the Armenian Republic School of Government, AOD member

Aydin Edvardovich Morikyan, editor-in-chief of the newspaper AYASTANI ANRAPETUTYUN, AOD member

Armen Bennaminovich Yegiazaryan, not party-affiliated

Yuriy Levonovich Shakhbazyan, Bagavan Experimental Design Bureau, AOD member

Grigor Yeremovich Avakyan, instructor at the Yerevan Institute of Economics, not party-affiliated

Khachik Eloyevich Safaryan, not party-affiliated

Yuriy Lazukovich Vardanyan, dean of radiophysics department, Yerevan State University, AOD member

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Samvel Mishayevich Abraamyan, chief of directorate, AOD member

Vardges Arsenovich Ayotsyan, apparatus director, administrative board of the AOD, AOD member

A, appropriate decision to register two deputies from the National Self-Determination Association, one from the Armenian Communist Party, and four from the Republic association shall be made by the Central Electoral Commission following the repeat and runoff elections scheduled for 29 July in a number of districts according to the majority-based electoral system.

Communist Party Chief Views Election Result

MM0408121095 Moscow PRAVDA in Russian 4 Aug 95 pp 1-2

[Interview with Sergey Badalyan, first secretary of the Armenian Communist Party Central Committee, by Boris Mkrtchyan in Yerevan; date not given: "Armenia: The Authorities Have Won a Victory Over Their Own People" — first paragraph is introduction]

[FBIS Translated Text] The results of the elections to the Armenian National Assembly and the referendum on the new constitution overturned political scientists' forecasts and the studies carried out by sociologists, who predicted a success for opposition forces. The Armenian Pannational Movement, that is, the ruling party, received...90 percent of the seats in the new parliament! And the entire opposition, including the Communists who had enjoyed the highest rating, only accounted for 10 percent of the seats. Our conversation with Sergey Grigoryevich Badalyan, first secretary of the Armenian Communist Party Central Committee, talked about the reasons for this election result.

[Badalyan] We were sure that the republic's ruling regime would not stop at anything to keep power. It was obvious from all the sociological polls that the authorities could count on at most 8 percent of the vote. But we also realized that there would be most flagrant violations and juggling of figures during the election and referendum process. That was why the Central Committee plenum decided to take part in the proportional elections, nominating 40 candidates for the list, and approved 141 candidates for 150 districts in the first-past-the-post elections.

[Mkrtchyan] From the National Assembly rostrum the republic's president said that the opposition defeat should largely be attributed to its lack of organization, divided effort, etc.

[Badalyan] The Communists realized that they would not be able to withstand the authorities' onslaught on their own so they reached agreement with a number of leading right-wing opposition parties on joint monitoring at the elctions and jointly clarified the crux of the new constitution as a fundamental law that strengthens the totalitarian regime.

However, the authorities' excesses exceeded our worst expectations. It began with the Central Electoral Commission [CEC], most of whose members are representatives of the authorities, illegally challenging our candidates in 50 electoral districts without any due cause. And our appeals to the CEC and even to the courts were ignored or the inquiries were dragged out interminably.

[Mkrtchyan] So, you effectively do not recognize your election defeat?

[Badalyan] We do not consider the election results to be a defeat for us. In actual fact this represented the authorities' victory over their own people. But no one in the political history of the world has got away with an easy victory over their own people.

On the other hand, paradoxically enough, we take a positive view of the election results. The statement issued by the Armenian Communist Party Central Committee Plenum clearly says that the election results fully exposed the pseudemocratic image of our state and the ruling regime.

It was not only the people who witnessed military subunits, militia forces, the local administration, corruption, and pressure being cynically used against people during the elections and during the referendum. This was also seen by hundreds of observers and foreign correspondents. It is no coincidence that the West does not welcome the Armenian ruling regime's election victory. The West stated fairly diplomatically via OSCE [Organization for Security and Cooperation in Europe] observers that the "elections were free but unjust." As you can see there is a considerable amount of irony in this phrase.

[Mkrtchyan] But Russian President Boris Yeltsin congratulated the republic's authorities on the election and referendum results and some prominent Russian politicians spoke about the leadership's achievements in extremely flattering terms....

[Badalyan] That was a strange greeting. At that time the Russian president was in a hospital bed. Thus presumably he had nothing to do with this message.

But we do know that there are forces in Russia who want to turn Armenia into an anti-Communist outpost. Three months ago in Yerevan Mr. Gaydar, who is not particularly popular in Russia, said extremely frankly that the wave of the Communist restoration could be stopped in Armenia. He knew that all means of

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suppressing the opposition could be freely used in our republic. Evidently, this was what he had in mind. What is more, Mr. Shumeyko welcomed the Armenian ruling regime's "political victories." Possibly in order to make the Armenian authorities more compliant in the horse-trading over Karabakh? And that has already begun. It is time that the Russian public realized that this is impeding the restoration of everything that was good about the centuries-old Armenian-Russian relations.

[Mkrtchyan] There has been a great deal of talk among the republic's Communists as to whether or not the opposition should enter parliament. It was argued that, given the lawlessness perpetrated during the elections and the referendum, the "elected" parliament and the Constitution could not be legitimate.

[Badalyan] Needless to say, entering an illegal parliament means recognizing its legitimacy. But at the same time there is no point in totally giving into the authorities after a fight. Therefore the Central Committee decided that it should enter parliament and even under these highly difficult conditions use the rostrum for intraparliamentary struggle. But we also decided to mount an extensive extraparliamentary fight against the regime within workers' collectives. Needless to say, within the framework of the law and the constitution. This is a very difficult business since most of the republic's enterprises are at a standstill, the working class is disorganized, and there are effectively no trade unions, no one to defend people.

[Mkrtchyan] What sort of a showing did the peasantry and the Communist Party's rural primary organizations make during the elections and the referendum?

[Badalyan] We thought that the overwhelming majority of country people would vote for the Communists. After all, land reform has brought disaster to the countryside. But the peasantry - - because of their petty bourgeois nature — rapidly gave in to the authorities and failed to withstand the corruption and pressure from the local administration. Rural Communists clearly overestimated the peasantry's "revolutionary spirit."

I would like to point out here that our party, by its very structure and methods of work, is still the old party. We need to quickly reappraise the experience that the party has accumulated over the past 70 years. And work with young people must also be carried out in a new way.

[Mkrtchyan] Next year will see presidential elections in the republic. What lessons has the Communist Party learned from these elections and what does it have to do in connection with the coming presidential elections?

[Badalyan] We acted on the premise that the Communists are the party fighting for the restoration of Soviet power, which precludes presidential structures. But we are realists and must take into consideration the fact that a new Constitution "with a president" has been adopted. If the political situation in Armenia does not change, there will be tyranny on the part of the authorities during the presidential elections. I think that if Russia returns to the path of true democracy, this process will also take place in Armenia.

As for the coming presidential elections, under current conditions the Communist Party must seriously ponder and decide whether to take part in the "presidential race" and whom it will pick as its candidate.

We Armenian Communists are awaiting Russian Communist success. Therein lies success for the entire international Communist and left-wing socialist movement.

Ouster of Ramkavar Azatakan Leader Urged

954F2985A Yerevan RESPUBLIKA ARMENIYA in Russian 3 Aug 95 p 1

[Statement by members of the council of the Armenian Ramkavar Azatakan party, under the rubric "Parties": "Ramkavar Azatakan of Armenia Has Moved Away From Its Ideology: PRAA Council Members Against Ruben Mirzakhanyan"]

[FBIS Translated Text] Members of the council of the Ramkavar Azatakan of Armenia (PRAA) Levon Babayan, Rafik Petrosyan, and Mals (Samvel) Savkyan have released a statement to ARMENPRESS which says:

"The ideology of the Ramkavar Azatakan party in the economic sphere is realized by means of building free market relations, and in state and social life by means of establishing democratic principles.

"This is the prevalent ideology today in economically developed countries. It has been, especially over the past year (albeit with serious shortcomings, but energetically), in the process of being implemented by Republic of Armenia legislative and executive bodies, which represents the only guarantee of building an independent, democratic, social, and law-based state and civil society.

"Having re-established itself in its motherland, the PRAA gave a new impulse to strengthening this ideology in Armenia and found itself on the ground floor of creating and strengthening our state and statehood. However, over the past year or a year and a half, because of the shortsighted, unbalanced policy, egocentrism, and ambition of its leader—chairman of the party's republic council Ruben Mirzakhanyan, as well as due to ignoring the events taking place in the republic and the fact that in

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political life the party had been indeed 'brought down to all fours,' it not only moved away from its purely ideological postulates before attempting their practical implementation, but also, under various contrived pretexts, entered into a confrontation with practically all branches of authority and almost all parties functioning in the republic. The PRAA opposed adoption of the constitution and, consequently, became a grave digger for its own ideology. It was precisely R. Mirzakhanyan's authoritarian position that caused the party to suffer a major defeat in the elections to the National Assembly.

"Keeping in mind the above and remaining adherents of the true tenets of the Ramkavar Azatakan ideology, and viewing as a priority in our current relations with the authorities and various political forces the strategy of implementing our ideology rather than tactical disagreements, we, the undersigned, state the following:

"All activities of the PRAA republic council over the past year have been extremely unsatisfactory. The situation can be corrected only by electing a new party leader. Therefore, we are suspending our activities as members of the republic council of the Ramkavar Azatakan of Armenia as long as Ruben Mirzakhanyan remains party leader.

"We remain loyal to the party ideology and appeal to all PRAA party structures, asking them to support our initiative and convene an out-of-turn congress. This will enable us to direct the party's activities into a normal course, strengthen its structures, and consolidate its ranks."

Official 'Dashnakophobia' Campaign Decried

954F2971A Yerevan GOLOS ARMENII in Russian 3 Aug 95 p 1

[Article by Narek Mesropyan, under the rubric "Remarks in the Margins": "Dashnakophobia for Export"]

[FBIS Translated Text] On 31 July foreign ambassadors accredited to Armenia were urgently invited to the residence of the RA [Republic of Armenia] president, where they were handed a Security Council statement. Readers are presumably already familiar with its text, therefore I will not quote it. I only want to draw attention to some nuances in this very unusual document, which, to the best of my recollection, does not have any analogy in the almost five-year-long history of independent Armenian statehood.

I will not dwell on the question of why and how people have been arrested and what inaccuracies, to put it mildly, made their way into the very first announcement of the Ministry of National Security. Let us leave this on the conscience of those who, having drawn an enemy image for themselves, have been trying for several years with enviable persistence to fit their political opponents into this outline. Enough has been said about this, and I don't think there is any need to repeat it in this tragic situation.

I am concerned about something else. Having turned inside out the life of citizens within Armenia's borders, our authorities have now launched a similar process in the diaspora. This time—quite energetically.

As is known, the trial of Dro has not yet begun; however, the existence of the criminal organization has been declared as established. It has not been proven that Dro has anything to do with the ARF [Armenian Revolutionary Front] Dashnaktsutyun, but the authorities, in the person of the president, speak of this as an irrefutable fact. And now the ARFD-Dro phenomenon is being qualified as a fact "of sorts" of international terrorism. Dashnaks are presented as no less dreadful criminals than the AUM Shinrikyo Japanese, militarized elements in Oklahoma, or Parisian fanatical bombers. And all this so far without a single iota of proof that has stood up in court.

Such "trifles," however, are irrelevant to our leadership. Quite irritated by the fact that, despite official Yerevan's numerous hints, nothing is being done abroad against Dashnaktsutyun and, even, as follows from the text of the statement, the fact that the diaspora has expressed solidarity (denouncing the authorities' position with respect to a party very highly respected outside Armenia), the RA leadership these days, while perhaps not demanding outright cooperation in the cause of the final extermination of Dashnaktsutyun, is hinting very transparently that the above would be desirable. In any case, the request to the ambassadors was that they urgently inform their governments of the text of the National Security Council statement and take steps to not allow Dashnaktsutyun outside of Armenia to hide under the mask of a political party.

Is there any need to elaborate the consequences such an unprecedented step may have? Dashnaktsutyun is present in almost all countries where Armenians live. Not a single country in the world, shell-shocked by international terrorism as they are, would be thrilled to keep on its soil outsiders with such a reputation. What will happen to the tens of thousands (if not more) of our compatriots if foreign countries' authorities take the Armenian authorities' allegations as a basis and begin to uproot Dashnaks—in essence, Armenians—with purely Yerevan-style methods?

It is hard to guess the reaction abroad as a whole and that of each country individually. Especially keeping in

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mind that, with the exception of the still seriously ill Yeltsin and the eternally optimistic Shumeyko, nobody seems to have congratulated the current authorities on the "landslide victory in the elections" and the "adoption" of the new constitution. The information blockade probably will be tightened very soon, and we will most likely learn little of the reaction to the RA National Security Council's statement as well.

Dashnakophobia, however, most likely will choke within the borders of Armenia. The experience of previous rulers of our country shows the futility of such attempts. On the other hand, unless my memory fails me, they never directly demanded encroachment on the political rights of their compatriots abroad.

Comprehensive Energy Program for 1995-2005 Detailed

NC0508130995 Yerevan NOYAN TAPAN in English 0652 GMT 4 Aug 95

[FBIS Transcribed Text] 04/08/95 NOYAN TAPAN — Recently the Armenian Government has confirmed a comprehensive-purpose program "Energetics" (CPP) for 1995-2005 years.

The main tasks of this program are:

1. To work out a policy for functioning and developing the energy sphere, juridical and legislative bases.

2. To work out and realize arrangements on improvement of control systems of the energy sphere.

3. To work out and use strategic directions for development and technical re-equipment of energetics.

4. To work out and realize issues connected with purchase, supply and accumulation of fuel resources.

5. To elaborate main directions for research, project and experimental-constructive works.

6. To work out and realize arrangements on overcoming ecological problems in the sphere of energy system.

7. To resolve problems of financial-economic stability and social security of the energy system.

Realization of the program demands investments for 590 million dollars and the majority of the sum (some 65 percent) is connected with using new and high technologies.

According to the program, development of hydro energy system is based on construction of large and average Hydro Power Stations (HPS), support of non-state construction of small ones and establishment and exploitation of the Republic's base of hydro engines for HPS. Until the year of 2,000 it is planned to construct 41 hydro stations with the total capacity of 167.66 MWt.

The main objective in the sphere of alternative energy system is to include alternative sources of energy into a balance of fuel- energy resources of Armenia.

Till 2005 it is planned to establish alternative heat and electric power stations with total capacity of 220 MWt. Some 140 Mwt will be provided by plants of bio-gas in rural localities.

One of the primary tasks is to establish productive infrastructure, to organize production on working out alternative energy producing plants.

Directions of geological-heat energetics-purpose tasks and arrangements of research works of coal and slates are divided into two groups:

1. Short-term - purpose tasks of operative character the primary aim of which is to provide coal output for 100-300,000 tons a year during 1-3 years.

2. Long-term-purpose problems of strategic character the primary aim of which is to establish a rather powerful and reliable staff base by means of extracting hard combustibles of the Republic.

All-round analysis of geological and geophysical information enables to view a number of fields as prospective gas and oil possessing ones. Fields of Akhurian, Sevaberd, Central Hoktemberian, Krasnoselsk, Getashen, Berkashat, Markara (Armavir region), Mekhchian (Ararat region), Dzorakhbiur, Yeghvard and Urartu are among such ones.

It is pointed out in the CPP that a significant means for relaxation of current energy crisis is the re-activation of the Armenian Nuclear Power Plant [ANPP].

Development of nuclear energy system of Armenia is divided in two stages:

The first one: re-exploitation of the ANPP energy blocks of the type TTER-440 till 2005.

The second one: in the years of 2005-2010 to put into operation a new generation of energy blocks.

In compliance with prospective fuel-energy balance of Armenia complete satisfaction of Republic's needs for fuel-energy resources is expected by the year of 2005. According to the program, re-exploitation of ANPP till 2000 is of great importance.

It is planned to produce 12.3 billion KWt/hour yearly beginning from 2005 (in 1988 it constituted 15.28 and in 1994 — 5.65).

It is also envisaged that production of electric power by hydro power stations will be reduced to 15 percent (instead of 63 percent in 1994), which, however, is more

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than that in 1988 (10 percent). 2 percent of energy will be produced by alternative stations and 38 percent by ANPP.

Azerbaijan

Russia Complains of Arms Deliveries to Chechnya

NC0608114495 Baku TURAN in English 2141 GMT 5 Aug 95

[FBIS Transcribed Text] Baku/05.08.95/TURAN — Withstanding [stand off] between group of fighters of the Chechnya and the Russian troops in the border line between Chechnya and Dagestan was completed. A group consisting of six Chechen fighters tried to cross the mountainous-forest part from Dagestan to Chechnya early this week was revealed by the Russian secret services and was blocked. According to Russian mass media that group tried to transfer to Chechnya a large lot of modern weapon, and new types of "Stingers".

The Chechen fighters refuted the information by the Russian military commander and said that they would not surrender. The withstanding lasted the whole week. An agreement on cease of military actions in Chechnya obtained on the eve between the government of Dudayev and Moscow helped to stop that fights. According to this agreement the above mentioned group was released after the Chechens passed the arms to Russian army.

Representatives of the Russian military command and of military secret services stated via the channels of mass media that the Chechen counter-bandits were going to Chechnya from Azerbaijan.

This week the Commander of border troops of Azerbaijan Abasali Novruzov refuted categorically any participation of Azerbaijan in military deliveries to Chechnya. According to him, the security services of Russia "still cannot confirm even one of their groundless accusations against Azerbaijan." The Chechens themselves admitted more than once that most part of arms they bought from Russian army.

Baku Seeks To Consolidate Position in Oil Market

MK0508100695 Moscow SEGODNYA in Russian 4 Aug 95 p 4

[Report by Arif Useynov from Baku: "Lukoil Expands the Procurement of Oil Products in Azerbaijan. Iran Offers Lower Prices for Them, Violating the Contract Terms"]

[FBIS Translated Text] The first tankers with Baku oil have already arrived at the Caspian port of Makhachkala. The Azerbaijan state oil concern has thus begun implementation of a contract recently concluded with the Russian Lukoil concern for the delivery of 500,000 tonnes of oil products.

The deal is quite beneficial to both partners: As of now fuel will not need to be brought to Dagestan from afar, spending considerable resources on transportation (outlays are many times lower if shipments are made from neighboring Azerbaijan via the Caspian). As for the prices, they are close to world levels — $131 per tonne of diesel fuel, and they satisfy the exporter.

Speaking at a press conference recently held by the state concern, Nazim Suleymanov, chief of the Foreign Economic Relations Administration, detailed the changes that have occurred in its export policy. He noted that Azerbaijan gives preference to old crude and refined oil product markets. This in particular has to do with the former Union republics' loyalty to "partnership traditions."

Meanwhile observers note the fact that the hopes for a new partner — Iran — with which the state concern has concluded a contract for the delivery of 1.2 million to 1.5 million tonnes of diesel fuel, have clearly not been justified. For a start, the importer reduced the planned monthly supply quota — 100,000 to 120,000 tonnes — by 30,000-35,000 tonnes. After this it wished to revise the contract terms, offering a per-tonne price $25-30 below the world level. In spite of this, Suleyman stressed, negotiations with the Iranian side will continue.

Naturally there is no intention to cancel the contract for the delivery of oil products with Iran altogether — until Azerbaijan's $10 million debt to the neighboring country for energy deliveries to the Nakhichevan Autonomous Republic has been repaid. Azerbaijan's serious economic condition does not allow it to search for better partners. Out of the 9 million to 10 million tonnes of oil extracted annually, 7 million goes for internal needs. The rest has to be exported, which is becoming more and more difficult owing to a limited sales market. Last year, for instance, 1.1 million tonnes of oil was sold, which brought the republic $130 million in net profit. The difficulties that have arisen with Iran threaten to shrink the country's hard currency receipts.

Experts believe that the contract with Lukoil allows Azerbaijan to improve the situation, return to the Russian market, and consolidate its position there. According to some reports, after the recent Moscow negotiations both sides are interested in expanding and consolidating their cooperation. Oil products in exchange for grain and other foodstuffs as well as various goods can also constitute a basis for export commodity operations between Azerbaijan and the Central Asian republics.

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Georgia, which is experiencing an acute fuel shortage, can be cited among other possible consumers of Azerbaijan oil. The Turkish Tuprash concern is ready to buy 200,000 tonnes of oil products, which will allow a settlement on the economic assistance rendered by Turkey to Nakhichevan, which is under a blockade.

Concern Expressed at Treatment of Azeris in Georgia

NC0608120795 Baku TURAN in English 2141 GMT 5 Aug 95

[FBIS Transcribed Text] Baku/05.08.95/TURAN — "Ozan", society of Azeris living in Georgia, is concerned over the situation of their fellow-citizens. Due to this fact the society issued an appeal to Georgian President Edward Shevardnadze, in which it expressed concern over situation of Georgian Azeris.

The appeal reads that over the past time unwarranted searches in the houses of Azeri population as well as illegal arrests with the purpose of extortion have become more frequent. Unlawful activities in Nizhne-Kartli region force the population (predominantly poor people) to leave their houses. Despite the fact that more than half of population of that region are Azerbaijanis, 90 percent of administrative bodies take Georgians. The interests of Azeris are taken into account neither in national economy nor in the agrarian sector. The same situation is observed in the field of culture and education, the press-service of "Musavat" party told TURAN.

Aliyev Underlines Tehran-Baku Friendly Relations

LD0608103495 Tehran IRNA in English 0624 GMT 6 Aug 95

[FBIS Transcribed Text] Baku, Aug 6, IRNA — President of the Republic of Azerbaijan Geydar Aliyev in a meeting here Saturday with Iran's provisional charge d'affaires Afshar Soleymani stressed his country's friendly relations with the Islamic Republic of Iran.

President Aliyev said he is committed to his words expressed in meetings with the leader of the Islamic Revolution, Ayatollah 'Ali Khamene'i, and President Akbar Hashemi-Rafsanjani.

Azerbaijan attaches great importance to profound historical, cultural and religious ties between the two countries, he said.

Referring to his efforts made to promote bilateral relations, he reiterated that nothing can overshadow Tehran-Baku close relations.

Pointing to the first gathering of heads of news agencies of the Caspian Sea, Soleymani underlined the need for the establishment of an association to accelerate the exchange of sound information among littoral states.

At the end of the meeting, the Iranian official outlined problems of Iranians residing in the Republic of Azerbaijan and called for appropriate solutions.

Aliyev Says 'Hostile Forces' Out To Get Him

NC0608113395 Baku TURAN in English 2141 GMT 5 Aug 95

[FBIS Transcribed Text] Baku/05.08.95/TURAN — "Now forces hostile to Azerbaijan have for an aim annihilation of President Aliyev. But the God is on the side of justice", President Aliyev said during yesterday's meeting in the Presidential staff.

The meeting, in which the force Ministers took part, was conducted on the results of the operation of the law-enforcement bodies of Lenkoran. During this operation the leader of the self-proclaimed Talysh-Mugan republic in August 1993 and the former Chief of the investigation ward of the Ministry of National Security, Faik Mirzeyev, were detained. In September 1994 Alikram Hummatov and three arrested persons, including ex-Defence Minister, Ragim Gaziyev, escaped from the ward of the Ministry of National Security be help of Faik Mirzeyev.

That time President Aliyev considered this escape as an attempt of the forces hostile to independent Azerbaijan to break implementation of the "contract of century" with the West.

Touching upon the attempt upon the life of Azeri President early this week, President Aliyev said: "The attempt to blow up the bridge is not just attempt of several persons, this is a crime against Azerbaijani state, the crime against our independence".

President highly estimated the work of the force structures of the country over the past time. "There was a sufficient change in the activities of the law-enforcement bodies", he said. President Aliyev called on the Ministry of National Security, Ministry of Interior, Prosecutor's Office and Special Presidential Management "to continue efforts to punish all criminals".

President Chairs Meeting on Bombing Attempt

NC0508071295

[FBIS Editorial Report] Baku Azerbaycan Radio Televiziyasi Television Network in Azeri at 1640 GMT on 4 August airs a 45-min recorded "Special Newscast" on a meeting chaired by President Geydar Aliyev in Baku on 4 August in connection with the detention of Talysh leader Alikram Hummatov for the 30 July attempt to blow up a bridge in Baku.

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Opening the "Special Newscast," commentator Seyyad Aghbabali says that "as the republic takes firm steps towards independence and national statehood, the enemies of the Azerbaijani people and state have launched an open struggle, are attempting to carry out a coup, and do not even hesitate to try to assassinate our president. Despite all these provocations, the Azerbaijani president is taking resolute measures to consolidate the independent Azerbaijani Republic. The people are defending their president and staunchly supporting his policies. All those who threaten the interests of the people and the state will eventually be called to account before the law."

In opening the meeting, President Geydar Aliyev says that the attempt to blow up the bridge in Baku's Sabunju District on 30 July and subsequent investigations have drawn strong reactions in the republic. The law enforcement organs have worked hard and already some of the criminals have been jailed. Aliyev then says that Turkish President Suleyman Demirel and Prime Minister Tansu Ciller called him about the incident.

Aliyev says that the Interior Ministry has been working harder lately and "last night they launched a big operation in Lenkoran region, where a number of ruthless criminals were captured and jailed."

The next speaker is Interior Minister Ramil Usubov, who reports says: "As you already said, last night two of the ruthless criminals were captured and jailed following an intensive operation by forces of the Azerbaijani Interior Ministry and local bodies, primarily the Lenkoran City Police Department. They are Alikram Hummatov and Faik Mirzeyev. The first to be captured was Faik Mirzeyev at around 0100 on 4 August. Some 40 minutes after Mirzeyev was sent to Baku, state criminal Alikram Hummatov was detained by the police. Now both of them have been brought to Baku." Usubov adds that those who had been sheltering Hummatov and Mirzeyev were also detained, these being Alaga Ibadov, Rovshan Guliyev, Ferman Hummatov, Miri Dadashov, Yusif Rasulov, Neriman Hummatov, Jamal Kazimov, Sakit Nurshutov, Hasanaga Iskenderov, Shemseddin Abdullayev, and Ali Rizayev.

President Aliyev then retakes the floor. He describes the operation in Lenkoran as "very important" and adds that "this big act of treason against the Azerbaijani Republic started on 21 September 1994 when the major oil contract was signed." Aliyev says that after that the former coup leaders were helped to escape from the National Security Ministry's detention center. While in hiding, Hummatov was in constant contact with "criminals in Moscow, with Mutalibov, Suret Guseynov, and others" arranging a coup and the destabilizing of the situation in Azerbaijan. Aliyev says that "lately, in pursuance of his ugly aims, Alikram Hummatov distributed some pamphlets in Lenkoran against our state. The rayon police found them, whereupon we issued strict instructions to our law enforcement organs to conduct a serious search. And he has finally been found." Aliyev says the arrest of Faik Mirzeyev, the head of the National Security Ministry's detention center who helped them escape, is also "very important."

Aliyev goes on to praise the Interior Ministry for its success. He says those detained should be brought to account according to the law, and adds: "This is an important event, in that it proves the strength of our statehood. Secondly, it proves that no criminal will go unpunished." Aliyev says the capture of Faik Mirzeyev will help solve the case of the failed bombing attempt.

Speaking next, Prosecutor General Eldar Gasanov reports the results of the investigation into the 30 July bombing attempt, tracing it to Elchin Amiraslanov and Mahir Javadov in Kiev.

Aliyev again stresses the importance of the discovery of the bomb before its explosion and argues "had this crime not been foiled and if that act of terror had taken place, Azerbaijan might have faced a great tragedy." He says the investigation into the case is continuing successfully. Aliyev adds that "these criminals, including Mahir Javadov, Elchin Amiraslanov, and their cohorts in Moscow—criminals who have escaped from Azerbaijan, and their abetters outside Azerbaijan—are aiming at destroying Azerbaijan."

The president thanks the law enforcement agencies for forestalling the crime and calls for the speedy and full solution of the crime. Aliyev then says the government is trying "to save the nation from such people." He adds: "These people are exerting every effort to destroy the Azerbaijani president in order to regain their former positions. However, as you can see, the people, the law, and God are on the side of justice. Hence their ugly aims have been uncovered."

Aliyev concludes by calling on law enforcement organs to intensify their activities to preserve law and order. He hopes that all the criminals will be found and brought to justice. He calls on the "criminals" to refrain from committing crimes, live according to the laws, and serve the state loyally.

Suspects in Attempted Bombing Arrested

LD0408205595 Moscow INTERFAX in English 1909 GMT 4 Aug 95

[FBIS Transcribed Text] BAKU, Aug 4 (INTERFAX) — The Azerbaijani special services and law enforce-

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ment have arrested a group of people suspected of mining the bridge over the highway between the center of Baku and the city's airport probably in order to try to assassinate Azerbaijani President Geydar Aliyev, the sitting of the Azerbaijani power structures said today. The sitting was chaired by Aliyev himself. Two metallic boxes containing over 140 kilograms of trinitrotoluene were found on the bridge. The Azerbaijani Interior Ministry believes the terrorists were going to blow up the bridge when the car carrying Aliyev was to pass under it. Alikran Gummatov, one of the four state criminals fled from the detention center of the National Security Ministry in the fall of 1994, and former officer of the National Security Ministry Faig Mirzoyev, an organizer of the escape from the detention center, were also arrested. Gummatov proclaimed a Talysh-Mugan republic in southern Azerbaijan in the summer of 1993, thus putting the country on the brink of collapse. The rebellion was suppressed after Geydar Aliyev came to power. Gummatov was arrested. He fled the detention center on September 29, 1994, together with former defense minister Ragim Gaziyev who is still wanted by the police.

Details of Bombing Attempt Revealed

NC0508073395 Baku TURAN in English
1043 GMT 4 Aug 95

[FBIS Transcribed Text] Baku /04.08.95/ TURAN — As TURAN agency has been credibly informed, during the investigation of the case on attempt to blow up the Komsomolskiy Bridge has been found that one box contained 80 kilos of explosive, while another — 70 kilos. Moreover, the details belonging to small enterprise "Polymer" were found in the boxes.

Yesterday's half an hour television program did not report any news about the character and organisers of the explosion of the bridge. Mahir Javadov, the brother of the former Deputy Minister of Interior, Rovshan Javadov, and Elchin Amiraslanov — the commander of the OPON [Special Purpose Police Detachment] subunit located in the Kazakh region of the republic, were called the organisers of the attempt of the explosion.

The military experts mention there were no detonators in the boxes with the explosive showed on the television.

Justice Ministry Bans Five Political Parties

NC0608120995 Baku TURAN in English
2141 GMT 5 Aug 95

[FBIS Transcribed Text] Baku/05.08.95/TURAN — A session of Board of Justice Ministry took place. They discussed the question on the registration of political parties. It was noted that after the repeat checking of the program and charters of the parties it was found that while registration of Islam party the Article 8 of the Law "On Political Parties" was violated. In particular, 108 people entering that party are under age. Besides, there are one and the same man sign instead of several people, and there are not signatures in front of some surnames at all.

It was found that in the lists of Islam Party (the number of members total 1,230 people) there are three policemen, and four are military men. Besides, some clauses of the Charter do not meet and run counter the law "On Political Parties". We should remind that Islam party was registered in the Justice Ministry on September 22, 1992.

The Board of Justice Ministry decided to annul the decision on registration of political parties adopted earlier: Hummet, Veten Ojagi, Party of Businessmen, and Islam Party. It was decided to refuse the registration of the Party on Social Justice, as the documents of that party did not meet the Law "On Political Parties." By the way, Matlab Mutalimov, Chairman of that organisation did not agree with that decision.

However, the Justice Ministry took a decision to register the Social Prosperity Party and the Democratic Education Party. Earlier they refused to register the APF [Azerbaijan People's Party] as a political party.

Georgia

Senior Officers To Attend NATO Exercises in U.S.

LD0408124095 Tbilisi IPRINDA in Russian
1215 GMT 4 Aug 95

[FBIS Translated Text] Tbilisi, 4 Aug — An IPRINDA correspondent has been told at the press center of the Georgian Defense Ministry that military exercises with the participation of all the signatories of the NATO Partnership for Peace program are scheduled to be held in the United States in the middle of September. Representatives of Georgia, up to a company, have also been invited to the exercises; however, owing to objective reasons (not specified), Georgian servicemen will not be able to participate in the exercises. The press center reports that a delegation of senior Georgian military officers will go to the United States to attend the exercises.

Georgian Defense Minister Lieutenant General Vardiko Nadibaidze will be going on an official visit to the United States in the middle of September at the ivitation of the chairman of the U.S. Joint Chiefs of Staff, John Shalikashvili.

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Delegation Returns From Failed Turkmenistan Gas Talks

LD0408182795 Tbilisi IPRINDA in Russian 1430 GMT 4 Aug 95

[FBIS Translated Text] Tbilisi, 4 Aug — A Georgian Government delegation led by Deputy Prime Minister Zurab Kervalishvili returned from Turkmenistan today. The delegation participated in negotiations with Turkmenistan on the resumption of importing natural gas. An IPRINDA correspondent reports that the negotiations ended in failure.

The correspondent also reports that the Georgian Government intends to start negotiations with Kazakhstan and Russia on importing natural gas from these countries.

Commission Prevents President From Dissolving Parliament

LD0408142495 Moscow INTERFAX in English 0924 GMT 4 Aug 95

[FBIS Transcribed Text] TBILISI, August 4 (INTERFAX) — A conciliatory commission of the Georgian parliament, which worked to reach consensus on basic provisions of the draft new constitution on Thursday night and Friday morning, has approved of a constitutional provision that prohibits the President to dissolve the parliament. At the same time, the parliament has the right of presidential impeachment, parliament sources told INTERFAX. The initial draft, which is being discussed by the parliament for a month, says that the President has the right to dissolve the parliament if the law-makers fail to form a cabinet after rejecting the government proposed by the President. Local observers differ in their opinion whether the amendment will satisfy the radical opposition, without whose votes the parliament will fail to basically approve of the constitution. A provision on territorial structure of the state has been temporarily excluded from the draft constitution on demand of the opposition. The parliament plans to discuss it after "the situation with Abkhazia and Southern Ossetia becomes clear," in the words of Georgian state head Eduard Shevardnadze. The conciliatory commission decided to form a one-chamber parliament instead of the two-chamber one and elect it on mixed proportionate and majoritarian systems. A regular parliament meeting is scheduled for 4 p.m. on August 4.

Parliament Fails To Agree on Draft Constitution

LD0508021595 Moscow ITAR-TASS in English 0151 GMT 5 Aug 95

[By Albert Kochetkov]

[FBIS Transcribed Text] TBILISI, August 5 (ITAR-TASS) — The articles of the draft new Georgian constitution regulating the structure and authorities of all branches of power are becoming a stumbling block for the Georgian parliament.

On Friday [4 August], the deputies have once again failed to overcome the differences and instructed the conciliatory commission to work our additional versions of the disputed provisions of the draft by Monday.

Opposition Prepares for Future National Assembly

LD0608134495 Tbilisi Radio Tbilisi Network in Georgian 1200 GMT 6 Aug 95

[FBIS Translated Text] A constituent meeting of the organizational committee for Georgia's national assembly [erovnuli qriloba] began at the Samshoblo publishing house's conference hall today. The meeting is tasked with drawing up and approving regulations for electing delegates to the national assembly, to draft a national assembly charter which will be considered and approved by the first session of the Georgian national assembly, to convene the national assembly, and to promote its work.

Deputies of the Georgian parliament and representatives of other political organizations constitute the initiatory group of the assembly. The meeting is chaired by Nukri Kantaria, a member of the initiatory group.

Irakli Tsereteli, a member of parliament, made a speech at the meeting. He said that the present government, as a result of its three-year activity, is handing over many problems to a future government. We are accused of a desire to create a parallel power but this is wrong, [he said]. We must unite and create Georgia's national assembly. I ask that the slogan of the assembly be: Unity, Freedom, and Law, Tsereteli said.

Lasha Tabukashvili said that as Georgians, we would rather struggle for a cherished hope than live with futile reality. The population is in a state of nihilism but it should know that there is a force and there are individuals in Georgia who are far from being concerned for their personal interests. He said that it is impossible to hold a referendum [on the constitution] because Georgia's jurisdiction does not cover its entire territory.

The following speaker, Davit Maghradze, a former minister of culture, spoke about his resignation: The

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state has been spending its money on staging carnivals and shows. I am not against this sort of activity but it does not seem expedient in today's hungry and poverty-stricken Georgia and we had better care about saving books.

Among other speakers at the meeting were Temur Zhorzholiani, Vano Gigoshvili, Guram Muchaidze, and others.

It was resolved to continue the constituent meetings until 11 August. All the members of the initiatory group have been incorporated in the organizational committee for the assembly. The resolution also instructs members to have the proceedings of the meetings reflected in the press. Unity, Freedom, and Law was declared the slogan of the national assembly.

Opposition Urges National Congress To End Crisis

LD0608153495 Moscow ITAR-TASS in English 1520 GMT 6 Aug 95

[By Tengiz Pachkoriya]

[FBIS Transcribed Text] TBILISI, August 6 (ITAR-TASS) — The Georgian opposition urged political parties and movements to hold a national congress and join efforts in light of the deepening crisis in the republic.

In a statement issued on Sunday, the congress organising group — which includes opposition members of the Georgian parliament and representatives of various organisations — said the congress is necessary "in connection with the state, legal, economic and psychological crisis in Georgia and the expediency of active engagement of the population in the discussion of topical issues."

Deputy Irakly Tsereteli said he will personally invite Georgian leader Eduard Shevardnadze to attend the congress.

The date of the congress has not been determined yet, but its organisers want the agenda to include three key questions: whether Georgia should be a federation or confederation; whether people support the idea of dividing the republic into regions; and whether strong presidency provided for in the draft new constitution will have a positive or negative impact on the situation in the republic.

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Estonia

Vahi Condemns Attacks on Peacekeepers; Supports Croatia

LD0608165495 Tallinn Radio Tallinn Network in Estonian 1700 GMT 5 Aug 95

[FBIS Translated Text] Estonian Prime Minister Tiit Vahi today made a statement in which he called upon all states to respect the territorial integrity of Croatia and condemned any violence against UN peacekeepers.

Vahi regretted that political contacts aimed at reintegrating Croatia had brought no results. He also noted that the failure of international efforts in Bosnia had had a negative impact on the situation in Croatia.

Vahi said in his statement that the Estonian Government is concerned about the civilians affected by the war in the former Yugoslavia. Estonia condemns any violence against the UN peacekeepers and brings its condolences to the families of the peacekeepers killed, the statement said.

Vahi also said that in spite of the seriousness of the situation, the Estonian peacekeepers will continue their service in Croatia.

Meri Concerned Over UN Contingent in Croatia

LD0408154995 Tallinn Radio Tallinn Network in Estonian 1500 GMT 4 Aug 95

[FBIS Translated Text] President Lennart Meri expresses serious concern over the expansion of war activity in the Balkans, over peace in Europe, and security of the Estonian Blue Helmets in Croatia. It is an unconditional duty resting with international organizations and peace mediators to stop any expansion of war activity or to see at least that the brakes are applied, an official notice from the presidential office says.

Meri Wants Bigger Role for Small States in UNSC

WS0408140895 Tallinn ETA in English 1737 GMT 3 Aug 95

["News Release"]

[FBIS Transcribed Text] The work of the United Nations Security Council should be changed in a way to increase the influence power of small states, Estonian President Lennart Meri told ETA.

President Meri said that he will present his more thorough standpoints as to changing the system of UN Security Council (UNSC) permanent members at the UN General Assembly (UNGA) that takes place from October 22-24 in New York. President Meri proposes to include a rotating member to the permanent members of UNSC that, having veto power, would represent smaller states.

"There are more than 180 member states in the UN now. The majority of the world's population live in states that have gained independence after World War II and belong to the Third World," President Meri said.

"We have, in the framework of UN, cooperated with Latvia and Lithuania but unfortunately our joint influence possibilities are extremely small," Meri added.

Meri said that he had presented these ideas to UNGA on September 30, 1993 and he would like to add to them this time "to aid to the voice of the small states, the Third World, to sound more stronger and weighty in the UN".

"For this we have to find a mechanism according to which there would be a rotating member in the Security Council that would represent with veto power this world to which Estonia belongs, the world of small states", President Meri said.

Addressing the UNGA two years ago Meri noted that the collapse of the Soviet Union was a part of decolonization process and "comparable to the collapse of Ottomans or Hohenzollerns or Habsburgs or even Romanovs."

"In this sense both the formerly occupied Estonia, Latvia and Lithuania and the new states born from the collapse of the Soviet Union like the Ukraine and Kazakhstan, have a lot in common with the Third World," President Meri said. "The Third World is a notion that appeared after Dumbarton Oaks conference, foundation of United Nations Organisation ... Estonia has both features of the first and the third world," President Meri said.

At present the UNSC has five big states as its permanent members: USA, Russia, Great Britain, France and China, while a lot of propositions have been made to change the system lately. The UNGA session in October is a jubilee conference marking the 50th anniversary of enforcement of the UN Charter.

Meri Seeks Quick Ratification of EU Agreement

WS0308130795 Tallinn ETA in English 1911 GMT 2 Aug 95

["News Release"]

[FBIS Transcribed Text] Tallinn, August 2 — "I want to stress that the Europe agreement approved by Riigikogu needs the fastest of ratification," Estonian President Lennart Meri told ETA on Tuesday [1 August].

"A strong signal has to be proceeded to EU member states in order that also the parliaments of these states

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would approve of the agreement and the heads of states of our future partners ratify it," President said. "I want to express special thanks to Finland, Sweden and Germany who have considerably helped us to reach us the agreement very fast."

"We now have to concentrate our foreign political explanatory activities to states like Italy, Greece, Spain and Portugal, because the parliaments of these states have a totally sovereign right not to ratify this agreement, with which the way to EU for Estonia would be closed," Meri said.

He added that because of limited resources Estonia's foreign relations with the states of the Mediterranean has been less active. "This gap has to be fulfilled," Meri said.

Estonian parliament ratified on Tuesday [1 August] the Europe Agreement concluded between Estonia and the European Union on July 12 in Luxembourg which would, if ratified by the EU member states, make Estonia the first of Central and East European states to be associated with EU without a transition period.

Danish Official Meets With Defense Minister

WS0408121695 Tallinn BNS in English
1641 GMT 3 Aug 95

[FBIS Transcribed Text] TALLINN, Aug 02, BNS — Danish Defense Ministry Deputy Chancellor Per Carlsen, who is currently on a two-day visit to Estonia, is studying Estonia's national defense concept the government is to start discussing Tuesday [1 August].

Carlson had Thursday a meeting with Defense Minister Andrus Oovel.

He gave Oovel greetings from Danish Defense Minister Hans Haekkerup, who is scheduled to visit Estonia in November. Oovel and Haekkerup will together proceed to Croatia where Estonian "blue helmets" are serving together with Danish peacekeepers.

"Denmark has assumed the piloting role in the planning of our international cooperation," a Defense Ministry spokesman explained. "We are dealing here with a member state of the North Atlantic Treaty Organization, which maintains brisk contacts with Estonia, coordinates peacekeeping, and is behind numerous initiatives in the framework of NATO's Partnership for Peace program."

Getting acquainted with Estonia's defense concept during the visit is of primary importance for Carlsen, the Defense Ministry spokesman said.

Given Estonia's current active European policy, the document that sets out the country's basic defense trends includes also an international part, particularly with regard to the NATO, the North Atlantic Cooperation Council, and the Western European Union. While drafting the defense concept's chapter on international relations, Defense Ministry officials had several meetings with an international group of military advisers led by Gen. Garry Johnson, who also recently visited Estonia.

Interior Ministry Holds News Conference on Narcotics

WS0708120495 Tallinn ETA in English
0907 GMT 7 Aug 95

[From the 5,7 August POSTIMESS, EESTI SONUMID; "News Bulletin" No. 154/95]

[FBIS Transcribed Text] Monday, August 7 — Interior Ministry gave a press conference August 4, reviewing problems connected with narcotics at present and in perspective. Interior Minister Edgar Savisaar, both Director General and the Assistant Director of the Police Department Ain Seppik and Priit Mannik, Commissary of the narco group at the Central Criminal Police Kalmer Viska and psychiatrist Anti Liiv answered the questions of the journalists.

According to Savisaar the press conference was held in answer to the idea, taking ground in the media, that the police has nothing better to do than bother poor unhappy farmers.

Kalmer Viska talked about the background information of the destroyed poppy field of Ilmar Kovatomas. Video tapes were shown on police operations. One of them showed the police finding 18 kilogram marihuana in a garage and 36 drug addicts arriving to the place in the course of two minutes. Police narco group detained once a 11 year old drug addict, and of course there are many among the 12-18 age group.

On one tape a drug addict was describing how he found the field in Jaska, the one of the farmer Kovatomas that got destroyed. The drug addict, an experienced one, tells how he with other addicts used to gather poppies at night and press the juice out of the plants for injections. This man describes three poppy fields in Viljandi county that according to him provide enough drugs for all drug addicts of the country.

Ain Seppik acknowledged his responsibility for destroying the poppy field, saying his decision to carry out the operation was valid and he knew what he was doing. He stressed that growing poppies without a specific license was forbidden and no licenses had been issued, so the farmers who grow the plant do it illegally.

Seppik also referred to a possibility where narcotics sellers would attempt to take over the crop from the

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farmers. One poppy-growing farmer had received a threat that if he would hinder the sellers they would arrive for the crop accompanied by gunmen.

Seppik told the police had not had enough time for the poppy case to be handled by administrative court which works only part-time in summer.

Priit Mannik presented the results of the analysis of the plants, carried out both by court experts and by Tallinn Botanical Garden scientists. The court experts found that the poppy capsules from the destroyed field in Jaska contained up to 20 percent raw opium. Mannik told the fact of sowing the seeds was enough to start a criminal case under a paragraph 210-4 of the criminal code. He said police is ordered by law to start a criminal case in the circumstances such these.

Edgar Savisaar was convinced that the drug addicts, not the farmers, would have been the ones to cut the crop. "It would have changed the prices of the drug-market and raised the number of addicts 2,5 times", Savisaar said. "And that only with the crop of that one field", he added. He told the cost of a glass of crushed poppy capsules was 100 kroons, which makes the full drug-market value of the field 6 million kroons. "If the capsules had been treated for producing raw opium, its cost would have been 36 million kroons", Savisaar told. The farmer Kovatomas had valued his crop worth of 30,000 kroons.

In the end of the press conference the journalists were reminded that police activities of destroying the field could not be called illegal until declared so by court.

Police discovered later a 5-hectare poppy field in Rapla county, the biggest so far in Estonia. The farmers who grow it claim the plants are meant for producing silo for domestic animals. Police has received more information about the poppy fields in the country. A man and a woman were detained by police in Turi-Alliku August 5 when they were stealing poppy capsuled in a summer cottage garden. A bag with 7 kilograms of poppy capsules was found on the detainees, also syringes and other equipment. A criminal charge was launched over by the police.

Latvia

Cooperation Protocols Signed With Bulgarian Ministry

LD0408151195 Riga Radio Riga Network in Latvian 1200 GMT 4 Aug 95

[FBIS Translated Excerpt] A protocol on consultations between the two countries' foreign ministries were signed today by Latvian Foreign Minister Valdis Birkavs, and Ivan Khristov, deputy minister at the Bulgarian Foreign Ministry. The document provides for regular consultations on matters of bilateral relations and the creation of a basis for agreements and judicial affairs. It states that the foreign ministers or their authorized representatives will meet no less frequently than once a year, as well as at the sessions of the UN General Assembly. According to the protocol, the two countries will cooperate at the level of diplomatic and consular relations in third countries and in international organizations, thus expanding mutual contacts and promoting the exchange of information. [passage omitted]

Proposal To Dismiss Chief Bankers Rejected

WS0408121495 Tallinn BNS in English 1641 GMT 3 Aug 95

[FBIS Transcribed Text] Riga, Aug 3, BNS — The Latvian legislature overwhelmingly rejected a proposal to dismiss Bank of Latvia Governor Einars Repse and Vice Governor Ilmars Rimsevics.

The proposal was put on the agenda at an initiative of the Popular Concord Party, the Political Association of Economists and the Democratic Party "Saimnieks."

Deputies of these factions blame the central bank for the banking crisis and unstable financial situation in Latvia.

The Bank of Latvia is emitting its currency reserves too fast in a bid to retain the stability of the national currency, the lat, said Popular Concord Party's Igors Burkovskis.

If this tendency continues, "the lat and the entire economy will fall in three months, said Burkovskis.

Repse afterward described his allegations as "totally groundless" and noted that it was "not the only nonsence uttered by the deputy from the Saeima platform."

Repse conceded that the central bank had chosen wrong strategies of supervision over commercial banks as it did not take into account the high level of corruption and crime among bankers.

The chief banker pledged to improve supervision over banks what will also be done with a help of an anticipated law on banks.

Deputies who supported Repse claimed that Latvia has stable currency thanks to him and doubted the possibility that the financial situation would improve if he was dismissed.

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